Independent Auditor's Report

To the Members of SRF Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of SRF Limited (the "Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Accounting for derivatives

The key audit matter	How the matter was addressed in our audit
An important element of Company's fund-raising strategy involves various types of borrowings including foreign currency denominated borrowings and a combination of fixed and floating interest rates, and also foreign currency denominated loans and advances to other parties. The Company's operating activities are also exposed to significant foreign exchange risk (refer to note 38 of the standalone financial statements). The Company uses derivative financial instruments to mitigate foreign currency risk and interest rate risk primarily through foreign currency forward exchange contracts and interest rate swaps.	In view of the significance of the matter we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: – Tested the design, implementation and operating effectiveness of controls over the Company's treasury and other related functions which directly impact the relevant account balances and transactions, including hedge accounting. – For selected samples via statistical sampling, obtained external confirmations from counterparties of the year end positions as well as agreed to original agreements.

Accounting for derivatives

The key audit matter	How the matter was addressed in our audit
Further, the Company has been using hedge relationship designation as per criteria set out in relevant Indian accounting standards. Accounting thereof and related presentation and disclosures of these transactions require significant judgement. Given the significant level of judgement and estimation involved and the quantitative significance, we have determined this to be a key audit matter.	– Performed sample tests of valuation and accounting of these transactions. In doing so we have involved valuation specialists to assist us in carrying out aforesaid procedure, as considered necessary. – Assessed the adequacy of disclosures in the financial statements in respect of both non-derivative and derivative financial instruments.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 31 to the standalone financial statements.

b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 38 to the standalone financial statements.

c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 41 (g) (viii) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 41 (g) (ix) to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Kaushal Kishore
Partner
Membership No.: 090075
UDIN: 22090075AJTEDQ5066

Place: Gurugram
Date: 27 May 2022

Annexure A to the Independent Auditor's Report on Standalone Financial Statements

With reference to the Annexure A referred to in the Independent Auditor's Report of even date to the members of the Company on the standalone financial statements for the year ended 31 March 2022, we report the following:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value as at 31 March 2022 (₹ in Crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held since	Reason for not being held in the name of the Company/ Remarks
Land at Bharuch, Dahej, Gujarat	109.29 (carried cost)	Gujarat Industrial Development Corporation ('GIDC') at Dahej, Gujarat	No	From June 2009 onwards (by multiple allotment orders)	The execution of lease deed of land in respect of 1,165,437 square meters of leasehold land already allotted (out of a total of 1,181,776 square meters) to the Company is pending. We understand that, as a process agreed with GIDC, the same will be executed once the entire/ substantial portion of the above piece of land is allotted/ handed over to the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventories, except goods-in-transit, have been physically verified by the management during the year. For goods-in-transit, subsequent evidence of receipts till date of the report has been linked with inventory records. In our opinion, the frequency of such verification is reasonable, and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in, provided guarantees, and granted loans to companies and other parties, in respect of which the requisite information is as below. The Company has not made any investments in, provided guarantees and granted loans to firms or limited liability partnership.

(a) Based on the audit procedures carried out by us and, as per the information and explanations given to us, the Company has provided loans, or stood guarantee, to any other entity as below:

Particulars	Guarantees (₹ Crores)	Loans (₹ Crores)
Aggregate amount during the year		
- Subsidiaries	190.84	230.20
- Others (Employees)	-	28.12
Balance outstanding as at the balance sheet date		
- Subsidiaries	1,614.94	565.72
- Others (Employees)	-	22.75

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the investments made and guarantees provided during the year, and the terms and conditions of the grant of loans and guarantees provided during the year, are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular except for the loan of ₹ 2.75 Crores given to SRF Altech Limited, which is repayable on demand. As informed to us, the Company has demanded repayment of the loan during the year and the same has been received during the year. The interest on this loan was not due during the year ended 31 March 2022. Thus, there has been no default on the part of the party to whom the money has been lent. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, following instance of loan, falling due during the year, was settled by a fresh loan:

Name of the party	Aggregate amount settled by fresh loan	Percentage of the aggregate to the total loans granted during the year
SRF Global BV	₹ 227.45 Crores	88.05%

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company has not granted any loans, or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, except for the following loan to a related party as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act").

Particulars	Related Party
Loan repayable on demand	₹ 2.75 Crores
Percentage of loans granted to the total loans	1.06%

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion, the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount* (₹ Crores)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Central Excise Laws	Excise Duty	9.32	1993-2002	Upto Commissioner (Appeals)	None
Service Tax Laws	Service Tax	1.58	2006-15	Upto Commissioner (Appeals)	
		0.98	2008-12	Customs, Excise & Service Tax Appellate Tribunal	
Customs Law	Customs Duty	1.27	2012-13	Supreme Court	
		0.27	2016-19	High Court	
		0.17	2002	Upto Commissioner (Appeals)	
Sales Tax Laws	Sales Tax	0.34	2015-16	High Court	
		4.97	1993-2017	Sales Tax Appellate Tribunal	
		7.68	1988-2017	Upto Commissioner (Appeals)	
Income Tax Laws	Income Tax	1.13	Assessment Year (AY) 1989-90	Supreme Court	
		22.66	AY 2016-17	Income Tax Appellate Tribunal	
Goods & Service tax Laws	Goods & Services Tax	0.23	2017-18	Upto Commissioner (Appeals)	
Employees Provident Fund & Miscellaneous Provisions Act, 1952	Provident Fund	0.21	2011-16	EPF Appellate Tribunal	
		0.30	2011-13	Central Government Industrial Tribunal	

The following matters, which have been excluded from the above table, have been decided in favour of the Company but the department has preferred appeals at higher levels. The details are given below:

Name of the statute	Nature of the dues	Amount* (₹ Crores)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Laws	Income Tax	5.55	AY 2000-04	High Court	None
Central Excise Laws	Excise Duty	1.18	1994-95	High Court	
		2.24	1989-95	Upto Commissioner (Appeals)	
Customs Law	Customs Duty	0.01	2012-13	Upto Commissioner (Appeals)	

*The amounts disclosed are net of payments and include interest and penalties, wherever applicable.

Also refer to note 31 of the standalone financial statements with regard to income tax demand raised subsequent to year-end.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained, other than ₹ 200 Crores which remained unutilised as at 31 March 2022 because the funds were received towards the end of the year. The Company has temporarily kept such unutilised balance in fixed deposits as at 31 March 2022.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has taken funds from the following entity to meet the obligations of its subsidiary as per details below:

Nature of fund taken	Name of lender	Amount involved	Name of the relevant subsidiary	Relationship	Nature of transaction for which funds utilised	Remarks, if any
Term Loan	HSBC Bank	₹ 227.45 Crores	SRF Global BV	Subsidiary	Repayment of loan due to SRF Limited	None

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not have any joint ventures or associate companies.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.

(xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Kaushal Kishore
Partner
Membership No.: 090075
UDIN: 22090075AJTEDQ5066

Place: Gurugram
Date: 27 May 2022

Annexure B to the Independent Auditors' report on the standalone financial statements of SRF Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of SRF Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Kaushal Kishore
Partner
Membership No.: 090075
UDIN: 22090075AJTEDQ5066

Place: Gurugram
Date: 27 May 2022

Standalone Balance Sheet

as at March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2	5,750.50	5,568.33
Right-of-use assets	37	255.35	216.76
Capital work-in-progress	2.1	1,617.04	436.13
Goodwill	3	-	0.62
Other intangible assets	4	108.13	109.88
Financial assets			
(i) Investments	5	92.82	87.76
(ii) Loans	6	410.05	346.70
(iii) Other financial assets	7	140.53	80.61
Non-current tax assets (net)	20	21.31	33.74
Other non-current assets	8	207.48	173.36
Total non-current assets		**8,603.21**	**7,053.89**
Current assets			
Inventories	9	1,750.88	1,286.70
Financial assets			
(i) Investments	5	316.74	412.52
(ii) Trade receivables	10	1,350.99	1,012.00
(iii) Cash and cash equivalents	11	319.64	86.72
(iv) Bank balances other than above	12	8.87	143.71
(v) Loans	6	178.42	281.48
(vi) Other financial assets	7	226.51	217.64
Other current assets	8	179.96	216.64
Total current assets		**4,332.01**	**3,657.41**
Assets classified as held for sale	40	**3.00**	**-**
TOTAL ASSETS		**12,938.22**	**10,711.30**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	297.44	60.26
Other equity	14	7,327.36	6,235.01
Total equity		**7,624.80**	**6,295.27**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15	1,189.73	1,422.24
(ii) Lease liabilities	37	95.18	63.83
(iii) Other financial liabilities	19	153.53	0.54
Provisions	16	44.86	38.23
Deferred tax liabilities (net)	17	613.04	326.46
Total non - current liabilities		**2,096.34**	**1,851.30**

Standalone Balance Sheet (CONTD.)

as at March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Current liabilities			
Financial liabilities			
(i) Borrowings	15	1,585.17	1,152.84
(ii) Lease liabilities	37	20.66	13.80
(iii) Trade payables	18		
(a) Total outstanding dues of micro enterprises and small enterprises		55.98	33.37
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,284.39	1,163.12
(iv) Other financial liabilities	19	148.15	109.08
Other current liabilities	21	107.56	75.79
Provisions	16	5.42	7.00
Current tax liabilities (net)	20	9.75	9.73
Total current liabilities		**3,217.08**	**2,564.73**
Total Liabilities		**5,313.42**	**4,416.03**
TOTAL EQUITY AND LIABILITIES		**12,938.22**	**10,711.30**
Summary of significant accounting policies	1B		
See accompanying notes to the standalone financial statements	2 to 41		

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration no.
101248W / W-100022

For and on behalf of the Board of Directors

Kaushal Kishore
Partner
Membership No.: 090075
Place : Gurugram
Date : May 27, 2022

Ashish Bharat Ram
Chairman and Managing Director
DIN - 00671567
Place : Gurugram
Date : May 09, 2022

Kartik Bharat Ram
Joint Managing Director
DIN - 00008557
Place : Gurugram
Date : May 09, 2022

Rahul Jain
President & CFO
Place : Gurugram
Date : May 09, 2022

Bharti Gupta Ramola
Director
DIN - 00356188
Place : Gurugram
Date : May 09, 2022

Rajat Lakhanpal
Vice President
(Corporate Compliance)
and Company Secretary
Place : Gurugram
Date : May 09, 2022

Standalone Statement of Profit and Loss

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
I	Revenue from operations	22	9,953.44	6,988.32
II	Other income	23	135.31	63.30
III	**Total Income (I + II)**		**10,088.75**	**7,051.62**
IV	**Expenses**			
	Cost of materials consumed	24.1	4,748.26	3,278.50
	Purchases of stock-in-trade	24.2	137.27	60.49
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	24.3	(193.25)	(28.21)
	Employee benefits expense	25	658.48	534.13
	Finance costs	26	94.45	111.21
	Depreciation and amortisation expense	27	419.23	383.60
	Other expenses	28	2,069.27	1,401.93
	Total Expenses (IV)		**7,933.71**	**5,741.65**
V	**Profit before tax (III - IV)**		**2,155.04**	**1,309.97**
VI	**Tax expense**	29		
	Current tax		616.41	327.23
	Deferred tax			
	MAT credit entitlement		(25.27)	(5.38)
	Others		56.89	63.06
	Total tax expense		**648.03**	**384.91**
VII	**Profit for the year (V - VI)**		**1,507.01**	**925.06**
VIII	**Other comprehensive income**			
A	Items that will not be reclassified to profit or loss			
	(i)(a) Gain / (loss) of defined benefit obligation	14.2, 33.2	(7.30)	2.41
	(i)(b) Income tax on item (i)(a) above	14.2, 30	2.55	(0.84)
B	Items that will be reclassified to profit or loss			
	(i)(a) Effective portion of gain / (loss) on hedging instruments in a cash flow hedge	14.3	39.99	132.33
	(i)(b) Income tax on item (i)(a) above	14.3, 30	(13.03)	(46.24)

Standalone Statement of Profit and Loss (CONTD.)

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
	(ii)(a) Cost of Hedging Reserve	14.10	1.48	0.95
	(ii)(b) Income tax on item (ii)(a) above	14.10, 30	(0.45)	(0.33)
	Total other comprehensive income for the year, net of taxes (A(i) + B(i+ii))		**23.24**	**88.28**
IX	**Total comprehensive income for the year (VII + VIII)**		**1,530.25**	**1,013.34**
	Basic and Diluted Earnings per equity share (in ₹)	36	50.86	31.33
	Summary of significant accounting policies	1B		
	See accompanying notes to the standalone financial statements	2 to 41		

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration no.
101248W / W-100022

Kaushal Kishore
Partner
Membership No.: 090075
Place : Gurugram
Date : May 27, 2022

For and on behalf of the Board of Directors

Ashish Bharat Ram
Chairman and Managing Director
DIN - 00671567
Place : Gurugram
Date : May 09, 2022

Kartik Bharat Ram
Joint Managing Director
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Director
DIN - 00356188
Place : Gurugram
Date : May 09, 2022

Rajat Lakhanpal
Vice President (Corporate Compliance) and Company Secretary
Place : Gurugram
Date : May 09, 2022

Standalone Cash Flow Statement

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	2,155.04	1,309.97
	Adjustments for:		
	Finance costs	94.45	111.21
	Interest income	(32.20)	(9.24)
	Net gain on sale of property, plant and equipment	(3.09)	(0.39)
	Net gain on financial assets measured at fair value through profit and loss	(7.06)	(25.45)
	Credit impaired assets provided / written off	0.76	12.06
	Depreciation and amortisation expense	419.23	383.60
	Property, plant and equipment and inventory discarded / provided	18.83	3.36
	Provision / liabilities no longer required written back	(2.59)	(11.42)
	Net unrealised currency exchange fluctuation (gain) / loss	(21.27)	7.59
	Employee share based payment expense	11.11	0.97
	Stamp duty on purchase of investments	0.08	0.15
	Adjustments for (increase) / decrease in operating assets :-		
	Trade receivables	(331.15)	(274.12)
	Inventories	(472.29)	(178.37)
	Loans (current)	(1.04)	(1.04)
	Loans (non-current)	(4.16)	(0.60)
	Other assets (current)	44.44	49.92
	Other assets (non-current)	(1.85)	(3.97)
	Adjustments for increase / (decrease) in operating liabilities :-		
	Trade payables	142.65	248.04
	Provisions	5.05	6.32
	Other liabilities (current)	(15.34)	22.01
	Cash generated from operations	**1,999.60**	**1,650.60**
	Income taxes paid (net of refunds)	(361.99)	(229.00)
	Net cash generated from operating activities	**1,637.61**	**1,421.60**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Net sale / (purchases) of current investments	102.84	(188.57)
	Stamp duty on purchase of investments	(0.08)	(0.15)
	Purchase of non-current investments	(5.06)	-
	Interest received	31.57	0.07
	Bank balances not considered as cash and cash equivalents	104.84	(134.68)
	Payment for purchase of property, plant and equipment, capital work-in-progress and other intangible assets	(1,575.85)	(853.05)
	Proceeds from disposal of property, plant and equipment	14.95	4.06
	Loans given to subsidiaries	(230.20)	(617.49)
	Repayment of loans received from subsidiaries	277.41	-
	Net cash used in investing activities	**(1,279.58)**	**(1,789.81)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issue of shares	0.20	750.00
	Costs incurred on issue of shares	-	(11.99)
	Proceeds from borrowings (Non-current)	455.36	1,294.04
	Repayment of borrowings (Non-current)	(414.05)	(1,344.41)
	Net proceeds / (repayment) from borrowings (Current)	157.22	(42.57)
	Dividends on equity share capital paid	(211.74)	(140.78)
	Repayment towards lease liability	(25.68)	(20.19)
	Finance costs paid	(86.42)	(127.43)
	Net cash (used in) / generated from financing activities	**(125.11)**	**356.67**
	Net increase / (decrease) in cash and cash equivalents	**232.92**	**(11.54)**
	Cash and cash equivalents at the beginning of the year	86.72	98.26
	Cash and cash equivalents at the end of the year (Refer to note 11)	**319.64**	**86.72**

Standalone Cash Flow Statement (CONTD.)

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Notes:

(i) The cash flow statement has been prepared under indirect method as set out in Indian Accounting Standard-7 (Ind AS) on 'Statement of Cash Flows'.

(ii) During the year, the Company paid in cash ₹ 21.75 Crores (Previous year: ₹ 10.18 Crores) towards corporate social responsibility (CSR) expenditure.

(iii) The following table discloses changes in liabilities arising from financing activities, including both cash and non-cash changes:

Particulars	As at March 31, 2021	Cash flow from financing activities	Non-cash changes						As at March 31, 2022
			Upfront fees amortised	Exchange fluctuation changes#	Finance cost#	Interim dividend declared	Lease liability recognised	Utilisation of securities premium	
Equity share capital	60.26	0.20	-	-	-	-	-	236.98	297.44
Securities premium	736.25	-	-	-	-	-	-	(226.69)	509.56
Non-current borrowings *	1,812.82	41.31	1.48	(3.39)	-	-	-	-	1,852.22
Current borrowings^	762.26	157.22	-	3.20	-	-	-	-	922.68
Interest accrued	4.47	(86.42)	-	-	85.65	-	-	-	3.70
Lease liability	77.62	(25.68)	-	-	8.70	-	55.20	-	115.84
Dividend	6.57	(211.74)	-	-	-	211.89	-	-	6.72
Total	**3,460.25**	**(125.11)**	**1.48**	**(0.19)**	**94.35**	**211.89**	**55.20**	**10.29**	**3,708.16**

Particulars	As at March 31, 2020	Cash flow from financing activities	Non-cash changes					As at March 31, 2021
			Upfront fees amortised	Exchange fluctuation changes#	Finance cost#	Interim dividend declared	Lease liability recognised	
Equity share capital	58.50	1.76	-	-	-	-	-	60.26
Securities premium (net of issue expenses)	-	736.25	-	-	-	-	-	736.25
Non-current borrowings *	1,859.62	(50.37)	2.30	1.27	-	-	-	1,812.82
Current borrowings ^	804.80	(42.57)	-	0.03	-	-	-	762.26
Interest accrued	22.64	(127.43)	-	-	109.26	-	-	4.47
Lease liability	87.69	(20.19)	-	-	6.49	-	3.63	77.62
Dividend	6.04	(140.78)	-	-	-	141.31	-	6.57
Total	**2,839.29**	**356.67**	**2.30**	**1.30**	**115.75**	**141.31**	**3.63**	**3,460.25**

* including current maturities of long term borrowings

^ excluding current maturities of long term borrowings

including amount capitalised

See accompanying notes to the standalone financial statements 2 to 41

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration no.
101248W / W-100022

Kaushal Kishore
Partner
Membership No.: 090075
Place : Gurugram
Date : May 27, 2022

For and on behalf of the Board of Directors

Ashish Bharat Ram
Chairman and Managing Director
DIN - 00671567
Place : Gurugram
Date : May 09, 2022

Kartik Bharat Ram
Joint Managing Director
DIN - 00008557
Place : Gurugram
Date : May 09, 2022

Rahul Jain
President & CFO
Place : Gurugram
Date : May 09, 2022

Bharti Gupta Ramola
Director
DIN - 00356188
Place : Gurugram
Date : May 09, 2022

Rajat Lakhanpal
Vice President
(Corporate Compliance)
and Company Secretary
Place : Gurugram
Date : May 09, 2022

Standalone Statement of Changes In Equity

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(a) Equity share capital

	Amount
Balance at March 31, 2020	**58.50**
Changes in equity share capital during the year	1.76
Balance at March 31, 2021	**60.26**
Changes in equity share capital during the year	237.18
Balance at March 31, 2022	**297.44**

(b) Other Equity

Particulars	Reserves and Surplus*							Items of other comprehensive income*			Total equity
	Capital reserve	General reserve	Capital redemption reserve	Securities premium	Debenture redemption reserve	Employee share based payment reserve	Retained earnings	Effective portion of cash flow hedge	Equity instrument through other comprehensive income	Cost of hedging reserve	
Balance at March 31, 2020	**219.19**	**573.54**	**10.48**	**-**	**75.00**	**1.56**	**3828.76**	**(78.56)**	**(4.22)**	**-**	**4,625.75**
Profit for the year	-	-	-	-	-	-	925.06	-	-	-	925.06
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	1.57	86.09	-	0.62	88.28
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**926.63**	**86.09**	**-**	**0.62**	**1,013.34**
Payment of dividend ^	-	-	-	-	-	-	(141.31)	-	-	-	(141.31)
Employee share based payment expense	-	-	-	-	-	0.98	-	-	-	-	0.98
Transfer to debenture redemption reserve	-	-	-	-	-	-	(62.50)	-	-	-	(62.50)
Transfer to general reserve	-	-	-	-	(75.00)	-	-	-	-	-	(75.00)
Transfer from debenture redemption reserve	-	75.00	-	-	-	-	-	-	-	-	75.00
Transfer from retained earnings	-	-	-	-	62.50	-	-	-	-	-	62.50
Premium on issue of equity shares (net of issue expenses) ^	-	-	-	736.25	-	-	-	-	-	-	736.25
Balance at March 31, 2021	**219.19**	**648.54**	**10.48**	**736.25**	**62.50**	**2.54**	**4551.58**	**7.53**	**(4.22)**	**0.62**	**6,235.01**
Profit for the year	-	-	-	-	-	-	1,507.01	-	-	-	1,507.01
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(4.75)	26.96	-	1.03	23.24
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**1,502.26**	**26.96**	**-**	**1.03**	**1,530.25**
Payment of dividend ^	-	-	-	-	-	-	(211.89)	-	-	-	(211.89)
Employee share based payment expense	-	-	-	-	-	10.91	-	-	-	-	10.91
Recognised / (released) on vesting of shares issued under employee share purchase scheme	-	-	-	10.29	-	(10.23)	-	-	-	-	0.06
Utilisation on issue of bonus equity shares	-	-	-	(236.98)	-	-	-	-	-	-	(236.98)
Balance at March 31, 2022	**219.19**	**648.54**	**10.48**	**509.56**	**62.50**	**3.22**	**5841.95**	**34.49**	**(4.22)**	**1.65**	**7,327.36**

* Refer note 14

^ Refer note 13.1

See accompanying notes to the standalone financial statements 2 to 41

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration no.
101248W / W-100022

Kaushal Kishore
Partner
Membership No.: 090075
Place : Gurugram
Date : May 27, 2022

For and on behalf of the Board of Directors

Ashish Bharat Ram
Chairman and Managing Director
DIN - 00671567
Place : Gurugram
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Place : Gurugram
Date : May 09, 2022

Rajat Lakhanpal
Vice President
(Corporate Compliance)
and Company Secretary
Place : Gurugram
Date : May 09, 2022

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

1 Corporate Information, Significant Accounting Policies and Significant Accounting Judgements, Estimates and Assumptions

A CORPORATE INFORMATION

SRF Limited ("the Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's equity shares are listed at the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the Company is situated at The Galleria, DLF Mayur Vihar, Unit No. 236 and 237, Second Floor, Mayur Vihar Place, Noida Link Road, Mayur Vihar Phase I Extn, Delhi - 110091. The Company's parent company is KAMA Holdings Limited.

The principal activities of the Company are manufacturing, purchase and sale of technical textiles, chemicals, packaging films and other polymers.

The standalone financial statements were authorised for issue in accordance with a resolution of the directors on May 9, 2022.

B SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Preparation

These standalone financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act 2013 ("the Act") as amended thereafter and other relevant provisions of the Act.

The standalone financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Defined benefit plans - plan assets measured at fair value less present value of defined benefit obligation
- Share-based payments

The standalone financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency and all values are rounded to the nearest crores, except when otherwise indicated.

The principal accounting policies are set out below.

2 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Notes to the standalone financial statements
for the year ended March 31, 2022
(All amounts in ₹ Crores, unless otherwise stated)

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has identified twelve months as its operating cycle for the purpose of current / non current classification of assets and liabilities.

3 Property, plant and equipment (PPE)

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any.

All items of property, plant and equipment have been measured at fair value at the date of transition to Ind AS. The Company have opted such fair valuation as deemed cost at the transition date i.e. April 1, 2015.

Cost of acquisition or construction is inclusive of freight, duties, non-recoverable taxes, incidental expenses and interest on loans attributable to the acquisition of qualifying assets, up to the date of commissioning of the assets.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for qualifying assets, upto the date of commissioning of the assets.

Likewise, when a major inspection for faults is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria is satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items of property, plant and equipment and depreciated accordingly.

Assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Capital Work in Progress: Project under which assets are not yet ready for their intended use are carried at cost comprising direct cost, related incidental expenses and attributable interest.

Spare parts are capitalized when they meet the definition of PPE, i.e., when the Company intends to use these for a period of more than 12 months.

4 Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation has been provided on the cost of assets less their residual values on straight line method on the basis of estimated useful life of assets determined by the Company which are different from the useful life as prescribed in Schedule II of the 2013 Act. The estimated useful life of the assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. and are as under:

Roads	40-50 years
Buildings (including temporary structures)	5-60 years
Plant and equipment	2-40 years
Furniture and fixtures	3-20 years
Office equipment	3-20 years
Vehicles	4-5 years

Notes to the standalone financial statements
for the year ended March 31, 2022
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Freehold land is not depreciated.

Depreciation is calculated on a pro rata basis except assets costing upto ₹ 5,000 each, which are fully depreciated in the year of purchase.

An item of property, plant and equipment or any significant part initially recognised of such item of property plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

5 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The useful lives considered are as follows:

Trademarks / Brand	10-30 years
Technical Knowhow	30-40 years
Software	3-5 years
Other intangibles	2.5-8 years

The Company has elected to continue with the carrying value of all of its intangibles assets recognised as on April 1, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

6 Research and development expenditure

Expenditure on research and development of products is included under the natural heads of expenditure in the year in which it is incurred except which relate to development activities whereby research findings are applied to a plan or design

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for the production of new or substantially improved products and processes.

Such development costs are capitalised if they can be reliably measured, the product or process is technically and commercially feasible and the Company has sufficient resources to complete the development and to use or sell the asset.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

7 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

8 Impairment of tangible and intangible assets other than goodwill

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Impairment loss is recognised when the carrying amount of an asset or CGU exceeds its recoverable amount. In such cases, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market

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transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of 5 years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after 5th year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

9 Leasing

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assess whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset through the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  - the Company has the right to operate the asset; or
  - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

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An entity shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Company as lessee
The Company accounts for assets taken under lease arrangement in the following manner:

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right of use asset is subsequently depreciated using the straight line method from the commencement date to the end of the lease term. The estimated useful lives of right-of-use assets are determined on the basis of remaining lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets
The Company has elected not to recognise right-of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight- line basis over the lease term.

10 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of

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an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing costs incurred for the period from commencement of activities relating to construction/ development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

In case of a specific borrowing taken for the purpose of acquisition, construction or production of a qualifying asset, the borrowing costs capitalised shall be the actual borrowing costs incurred during the period less any interest income earned on temporary investment of specific borrowing pending expenditure on qualifying asset.

In case funds are borrowed generally and such funds are used for the purpose of acquisition, construction or production of a qualifying asset, the borrowing costs capitalised are calculated by applying the weighted average capitalisation rate on general borrowings outstanding during the period, to the expenditures incurred on the qualifying asset.

If any specific borrowing remains outstanding after the related asset is ready for its intended use, that borrowing is considered part of the funds that are borrowed generally for calculating the capitalisation rate.

11 Foreign Currencies

Transactions in foreign currencies are recorded on initial recognition at the exchange rate prevailing on the date of the transaction.

(i) Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rates prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction. Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit and Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to exchange differences arising from cash flow hedges to the extent that the hedges are effective and those covered below.

(ii) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or before March 31, 2016:

Exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance useful life of the assets.

(iii) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016:

The exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016 is treated in accodance with Ind AS 21/ Ind AS 109. Refer point (i) above.

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12 Inventories

Inventories are valued at cost or net realisable value, whichever is lower. The basis of determining the cost for various categories of inventory are as follows:

(a) Raw materials, packing materials and stores and spares (including fuel) - Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. The aforesaid items are valued at Net Realisable Value if the finished products in which they are to be incorporated are expected to be sold at a loss.

(b) Traded goods, Stock in progress and finished goods- Direct cost plus appropriate share of overheads.

(c) By products - At estimated realisable value

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

13 Provisions, contingent liabilities and contingent assets

Provisions

The Company recognises a provision when there is a present obligation (legal or constructive) as a result of past events and it is more likely than not that an outflow of resources would be required to settle the obligation and a reliable estimate can be made.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

Contingent assets

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

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14 Revenue recognition

a) *Sale of goods*

Revenue from sale of products is recognised upon transfer of control of products to customers at the time of shipment to or receipt of goods by the customers. Service income is recognised as and when the underlying services are performed. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.

Revenues are measured based on the transaction price, which is the consideration, net of tax collected from customers and remitted to government authorities such as goods and services tax and applicable discounts and allowances.

Any fees including upfront fees received in relation to contract manufacturing arrangements is recognised on straight line basis over the period over which the Company satisfies the underlying performance obligations. Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue (only act of invoicing is pending) when there is unconditional right to receive cash as per contractual terms. Advance from customers ("contract liability") is recognised when the Company has received consideration from the customer before it delivers the goods.

b) *Interest and dividend income*

Interest income is recognised when it is probable that the economic benefits will flow to the Company using the effective interest rate and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

c) *Export Incentives*

The benefit accrued under the Duty Drawback scheme and other schemes as per the Export and Import Policy in respect of exports made under the said Schemes is included under the head "Revenue from Operations" under 'Export and other Incentives'. Also refer policy on "government grants".

15 Taxation

Income tax expense represents the sum of current tax and deferred tax.

a) *Current tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e. in other comprehensive income or in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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b) *Deferred tax*

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the reporting date.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e. in other comprehensive income or in equity.

Deferred tax assets/liabilities are not recognised for below mentioned temporary differences:

(i) At the time of initial recognition of goodwill;

(ii) Initial recognition of assets or liabilities (other than in a business combination) at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT asset is recognised in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

The Company considers whether it is probable that a taxation authority will accept an uncertain tax treatment. If the Company concludes that it is probable that the taxation authority will accept an uncertain tax treatment, the Company determines the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. However, if the Company concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, the Company reflects the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates.

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16 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

A government grant that becomes receivable as compensation for expenses or losses incurred in a previous period. Such a grant is recognised in profit or loss of the period in which it becomes receivable.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Government grants related to assets are presented in the balance sheet as deferred income and is recognised in profit or loss on a systematic basis over the expected useful life of the related assets.

17 Employee benefits

Short-term employee benefits

Wages and salaries including non monetary benefits that are expected to be settled within the operating cycle after the end of the period in which the related services are rendered, are measured at the undiscounted amount expected to be paid.

Defined contribution plans

Provident fund administered through Regional Provident Fund Commissioner, Superannuation Fund and Employees' State Insurance Corporation are defined contribution schemes. Contributions to such schemes are charged to the statement of profit and loss in the year when employees have rendered services entitling them to contributions. The Company has no obligation, other than the contribution payable to such schemes.

Defined benefit plans

The Company has defined benefit gratuity plan and provident fund for certain category of employees administered through a recognised provident fund trust. Provision for gratuity and provident fund for certain category of employees administered through a recognised provident fund trust are determined on an actuarial basis at the end of the year and charged to Statement of Profit and Loss, other than remeasurements. The cost of providing these benefits is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses and the effect of the asset ceiling, (excluding amounts included in net interest on the net defined benefit liability and return on plan assets), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

Other long-term employee benefits

The Company also has other long-term employee benefits in the nature of compensated absences and long term retention pay. Provision for compensated absences and long term retention pay are determined on an actuarial basis at the end of the year and charged to Statement of Profit and Loss. The cost of providing these benefits is determined using the projected unit credit method.

Share based payments

Equity settled share based payments to employees under SRF Long Term Share Based Incentive Plan (SRF LTIP) are measured at the fair value (which is the

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market price less exercise price) of the equity instruments on the grant date. This compensation expense is amortised over the remaining tenure over which the employees renders their service on a straight line basis.

18 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

19 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

20 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A) *Financial assets*

Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets of the Company are classified in three categories:

a) At amortised cost

b) At fair value through profit and loss (FVTPL)

c) At fair value through other comprehensive income (FVTOCI

Financial Asset is measured at amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Financial assets not classified as measured at amortised cost or FVTOCI as are measured at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity Investments

All equity investments in the scope of Ind AS 109 are measured at fair value.

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Equity instruments which are held for trading are measured at fair value through profit and loss.

For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to statement of profit and loss on disposal of such instruments.

Investments representing equity interest in subsidiaries are carried at cost less any provision for impairment.

Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the balance sheet) when:

a) The rights to receive cash flows from the asset have expired, or

b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay. Any gain or loss on derecognition is recognised in profit or loss.

When the Company has retained substantially all the risks and rewards of ownership of the transferred asset, the Company continues to recognise the transferred asset in its entirety and recognises a financial liability for the consideration received.

Impairment of financial assets

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to

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the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

B) *Financial liabilities and Equity instruments*

Initial recognition and measurement

All financial liabilities are recognised initially at fair value, net of directly attributable transaction costs, if any.

The Company's financial liabilities includes borrowings, trade and other payables including financial guarantee contracts and derivative financial instruments.

Subsequent measurement

Borrowings

Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption/repayment amount is recognised in profit and loss over the period of the borrowings using the effective interest rate method.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified entity fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Equity instrument

Equity instruments are any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

21 Derivative and non derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments (such as forward currency contracts, interest rate swaps and full currency swaps) or non derivative financial assets / liabilities to hedge its foreign currency risks and interest rate risks. The Company has opted for "Hedge Accounting" for all its derivative as well as non-derivative financial instrument used for hedging. Accordingly, at the inception of the hedge the Company formally designates a hedge relationship between the 'hedging instrument' and 'hedged item' which determines the initial recognition of the financial intrument as Fair Value Hedge or Cashflow hedge. The documentation includes the Compnay's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. These financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit and loss when the hedge item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

a) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability.

b) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in statement of profit and loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

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for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in the statement of profit and loss. In some cases, the Company separates the premium element and the spot element of a forward contract and designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. In such cases, the changes in the fair value of the premium element of the forward contract or the foreign currency basis spread of the financial instrument is accumulated in a separate component of equity as 'cost of hedging'. The changes in the fair value of such premium element or foreign currency basis spread are reclassified to profit or loss as a reclassification adjustment on a straight-line basis over the period of the forward contract or the financial instrument.

The Company also designates non derivative financial liabilities, such as foreign currency borrowings from banks, as hedging instruments for the hedge of foreign currency risk associated with highly probable forecasted transactions and, accordingly, applies cash flow hedge accounting for such relationships.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast transaction occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, the hedge accountig will be discontinued prospectively. Any cumulative gain or loss previously recognised in other comprehensive income remains separately in other equity if the forecast transaction or the foreign currency firm commitment is expected to occur else the amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

22 Fair value measurement

The Company measures some of its financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

b) Level 2 — Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

c) Level 3 — Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

23 Segment Reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

24 Dividend

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

25 Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The appropriate level of management must be committed to a plan to sell, an active programme to locate a buyer and complete the plan has been initiated, the sale is considered highly

Notes to the standalone financial statements

for the year ended March 31, 2022

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probable and is expected within one year from the date of classification.

Non-current assets (or disposal groups) held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately from other assets and liabilities in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A discontinued operation is a component of the Company that either has been disposed of, or is classified as held for sale, and:

a) Represents a separate major line of business or geographical area of operations,

b) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or

c) Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented separately in the statement of profit and loss.

26 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

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Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

C SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes.

- Classification and lease term determination of leasing arrangement – Note 1.B.9
- Derecognition of trade receivables and hedge effectiveness - Note 1.B.20
- Fair value measurement of derivative instruments – Note 1.B.22
- Assessment of useful life of property, plant and equipment and intangible asset – Note 1.B.4
- Recognition and estimation of tax expense including determination of applicable tax rate for measuring deferred tax balances – Note 1.B.15
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note 1.B.17
- Assessment of impairment of financial assets and non-financial assets – Note 1.B.20 and Note 1.B.8
- Recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – Note 1.B.13

Notes to the standalone financial statements
for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

2 PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land	Roads	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicle	Total
Cost								
Balance at March 31, 2020	**317.18**	**63.48**	**686.96**	**5430.23**	**25.80**	**58.14**	**41.09**	**6622.88**
Additions / adjustments	-	8.29	38.66	564.41	2.01	8.08	6.59	628.04
Disposals	-	-	(0.14)	(6.18)	(0.20)	(1.06)	(3.99)	(11.57)
Balance at March 31, 2021	**317.18**	**71.77**	**725.48**	**5988.46**	**27.61**	**65.16**	**43.69**	**7239.35**
Additions / adjustments	-	1.08	31.80	536.32	0.99	11.06	10.08	591.33
Disposals	-	-	(5.84)	(59.86)	(0.54)	(3.91)	(4.85)	(75.00)
Balance at March 31, 2022	**317.18**	**72.85**	**751.44**	**6464.92**	**28.06**	**72.31**	**48.92**	**7755.68**
Accumulated depreciation								
Balance at March 31, 2020	**-**	**6.31**	**85.03**	**1,166.81**	**9.30**	**31.04**	**20.75**	**1319.24**
Depreciation expenses	-	1.54	20.22	320.71	2.07	6.53	7.25	358.32
Disposals	-	-	(0.03)	(2.70)	(0.14)	(0.90)	(2.76)	(6.53)
Balance at March 31, 2021	**-**	**7.85**	**105.22**	**1484.82**	**11.23**	**36.67**	**25.24**	**1671.03**
Depreciation expenses	-	1.67	21.38	347.26	1.91	7.86	7.76	387.84
Disposals	-	-	(0.63)	(45.56)	(0.32)	(3.53)	(3.64)	(53.68)
Balance at March 31, 2022	**-**	**9.52**	**125.97**	**1786.52**	**12.82**	**41.00**	**29.36**	**2005.19**
Carrying Amount								
Balance at March 31, 2020	**317.18**	**57.17**	**601.93**	**4263.42**	**16.50**	**27.10**	**20.34**	**5303.64**
Additions / adjustments	-	8.29	38.66	564.41	2.01	8.08	6.59	628.04
Disposals	-	-	(0.11)	(3.48)	(0.06)	(0.16)	(1.22)	(5.03)
Depreciation expenses	-	(1.54)	(20.22)	(320.71)	(2.07)	(6.53)	(7.25)	(358.32)
Balance at March 31, 2021	**317.18**	**63.92**	**620.26**	**4503.64**	**16.38**	**28.49**	**18.46**	**5568.33**
Additions / adjustments	-	1.08	31.80	536.32	0.99	11.06	10.08	591.33
Disposals	-	-	(5.21)	(14.30)	(0.22)	(0.38)	(1.21)	(21.32)
Depreciation expenses	-	(1.67)	(21.38)	(347.26)	(1.91)	(7.86)	(7.76)	(387.84)
Balance at March 31, 2022	**317.18**	**63.33**	**625.47**	**4678.40**	**15.24**	**31.31**	**19.57**	**5750.50**

Notes:

(i) Borrowing cost capitalised during the year ₹ 17.85 Crores (Previous year: ₹ 7.62 Crores) with a capitalisation rate ranging from 0.40% to 3.55% (Previous year: 3.22% to 8.09%).

(ii) The industrial freehold land measuring 32.41 acres at the Company's plant in Gummudipoondi, Tamil Nadu had been acquired by the Company w.e.f. January 01, 2001 pursuant to a scheme of amalgamation sanctioned by the Hon'ble High court of Judicature at Madras and the Hon'ble High court of Delhi. Out of the said land, there is a dispute on a land parcel of 2.74 acres. Based on the legal documentation available, the Company is of the view that the said dispute is not tenable.

(iii) Capital expenditure incurred during the year includes ₹ 8.49 Crores (Previous year: ₹ 13.46 Crores) on account of research and development. Depreciation for the year includes depreciation on assets deployed in research and development as per note 41 (a) below.

(iv) Refer to note 15.1 for information on PPE pledged as security by the Company. Additionally, non funded working capital facilities from banks amounting to ₹ 37.80 Crores (Previous year: ₹ 58.50 Crores) are secured by hypothecation of Captive Power Plant (CPP) and HFC134A plant situated at Dahej in the state of Gujarat.

(v) Refer to note 41 (c) for additions / adjustments on account of exchange difference during the year.

(vi) The Company accounts for all capitalisation of property, plant and equipment through capital work in progress and, therefore, the movement in capital work-in-progress is the difference between closing and opening balance of capital work-in-progress as adjusted by additions in property, plant and equipment and intangible assets.

(vii) Disposals during the current year include property, plant and equipment classified as assets held for sale. Refer note 40 below.

Notes to the standalone financial statements
for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

2.1 CAPITAL WORK-IN-PROGRESS (CWIP)

(i) Ageing of capital work-in-progress :

	Amount in CWIP for a period of				
	Less than 1 year	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	**Total**
Projects in progress					
As at March 31, 2022	1,509.77	99.77	7.50	-	1,617.04
As at March 31, 2021	416.73	18.44	0.96	-	436.13

(ii) CWIP completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan :

	As at March 31, 2022			
	To be completed in			
	Less than 1 year	**1 - 2 years**	**2 - 3 years**	**More than 3 years**
Projects in progress				
Chloromethanes plant	333.38	-	-	-
Augmentation of power and steam capacity	138.23	-	-	-
Others *	113.60	0.02	-	-
	585.21	**0.02**	**-**	**-**

	As at March 31, 2021			
	To be completed in			
	Less than 1 year	**1 - 2 years**	**2 - 3 years**	**More than 3 years**
Projects in progress				
R22 facility	87.08	-	-	-
Dedicated facility for SS-04	52.05	-	-	-
Others *	107.31	0.06	-	-
	246.44	**0.06**	**-**	**-**

* Comprises projects not considered material at an individual level.

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

3 GOODWILL

Cost	
Balance at March 31, 2020	**0.62**
Additions	-
Disposals	-
Balance at March 31, 2021	**0.62**
Additions	-
Disposals	-
Balance at March 31, 2022	**0.62**
Accumulated Impairment losses	
Balance at March 31, 2020	**-**
Additions	-
Balance at March 31, 2021	**-**
Additions (Refer to note 40)	0.62
Balance at March 31, 2022	**0.62**

Carrying Amount	As at March 31, 2022	As at March 31, 2021
Industrial yarn unit	-	0.62
	-	**0.62**

The Company had allocated goodwill to the above mentioned cash generating unit and determined recoverable amount of this allocated goodwill using cash flow projections based on financial budget as approved by the directors of the Company.

4 OTHER INTANGIBLE ASSETS

Particulars	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Cost					
Balance at March 31, 2020	**77.53**	**55.19**	**30.75**	**19.39**	**182.86**
Additions / adjustments	-	-	0.64	-	0.64
Disposals	-	-	-	-	-
Balance at March 31, 2021	**77.53**	**55.19**	**31.39**	**19.39**	**183.50**
Additions / adjustments	-	-	5.21	-	5.21
Disposals	(4.28)	-	(6.29)	-	(10.57)
Balance at March 31, 2022	**73.25**	**55.19**	**30.31**	**19.39**	**178.14**
Accumulated amortisation					
Balance at March 31, 2020	**16.76**	**5.95**	**25.19**	**18.50**	**66.40**
Amortisation expenses	2.45	1.70	3.02	0.05	7.22
Disposals	-	-	-	-	-
Balance at March 31, 2021	**19.21**	**7.65**	**28.21**	**18.55**	**73.62**
Amortisation expenses	2.45	1.70	2.76	0.05	6.96
Disposals	(4.28)	-	(6.29)	-	(10.57)
Balance at March 31, 2022	**17.38**	**9.35**	**24.68**	**18.60**	**70.01**

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Carrying Amount					
Balance at March 31, 2020	**60.77**	**49.24**	**5.56**	**0.89**	**116.46**
Additions / adjustments	-	-	0.64	-	0.64
Disposals	-	-	-	-	-
Amortisation expenses	(2.45)	(1.70)	(3.02)	(0.05)	(7.22)
Balance at March 31, 2021	**58.32**	**47.54**	**3.18**	**0.84**	**109.88**
Additions / adjustments	-	-	5.21	-	5.21
Disposals	-	-	-	-	-
Amortisation expenses	(2.45)	(1.70)	(2.76)	(0.05)	(6.96)
Balance at March 31, 2022	**55.87**	**45.84**	**5.63**	**0.79**	**108.13**

5 INVESTMENTS

	As at March 31, 2022	As at March 31, 2021
Non-current		
Investment in equity instruments		
Subsidiary companies	88.66	83.60
Others	4.16	4.16
	92.82	**87.76**
Aggregate book value of unquoted investments	92.82	87.76
Aggregate amount of impairment in value of investments	4.34	4.34
Current		
Investment in mutual funds	121.86	197.16
Investment in debentures / bonds	194.88	215.36
	316.74	**412.52**
Aggregate book value and market value of unquoted investments	121.86	197.16
Aggregate book value and market value of quoted investments	194.88	215.36

5.1 Investment in subsidiaries (at cost)

	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Unquoted investments (Non-current)				
Equity shares of ₹ 10 each fully paid up of SRF Holiday Home Limited (A wholly owned subsidiary)	4,000,000	4.00	4,000,000	4.00
Equity shares of Euro 100 each fully paid up of SRF Global BV (A wholly owned subsidiary)	128,920	79.60	128,920	79.60
Equity shares of ₹ 10 each fully paid up of SRF Altech Limited (A wholly owned subsidiary)	5,000,000	5.00	-	-
Contribution in SRF Employees Welfare Trust (Controlled trust)	-	0.06	-	*
		88.66		**83.60**

* Amount in absolute: ₹ 60,000

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

5.2 Other equity instruments (at fair value through other comprehensive income)

	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Unquoted investments (Non-current)				
Equity shares of ₹ 10 each fully paid up of Malanpur Captive Power Limited	4,221,535	4.22	4,221,535	4.22
Less: Impairment in value of investment		(4.22)		(4.22)
Equity shares of ₹ 10 each fully paid up of Vaayu Renewable Energy (Tapti) Private Limited	50,000	0.05	50,000	0.05
Equity shares of ₹ 10 each fully paid up of Suryadev Alloys & Power Private Limited	1,354,000	4.11	1,354,000	4.11
Equity shares of ₹ 10 each fully paid up of Sanghi Spinners India Limited	670,000	0.12	670,000	0.12
Less: Impairment in value of investment		(0.12)		(0.12)
		4.16		**4.16**

5.3 Investment in mutual funds (at fair value through profit and loss)

	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Unquoted investments (Current)				
ICICI Prudential P1543 Saving Fund-Growth Plan	3,612,365	121.86	3,612,365	117.16
Axis Overnight Fund- Regular Growth Plan	-	-	276,009	30.00
SBI Liquid Fund L72SG Regular Growth Plan	-	-	156,109	50.00
		121.86		**197.16**

5.4 Investment in debentures / bonds (at fair value through profit and loss)

	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Quoted investments (Current)				
Bonds				
9.56% State Bank of India Perpetual Bonds 2023 of ₹ 10,00,000 each	500	52.33	500	52.25
8.99% Bank of Baroda Perpetual Bonds 2024 of ₹ 10,00,000 each	550	56.92	500	51.02
8.85% HDFC Bank Limited Perpetual Bonds 2022 of ₹ 10,00,000 each	500	50.08	500	51.00
8.50% State Bank of India Perpetual Bonds 2024 of ₹ 10,00,000 each	248	25.40	-	-
8.50% State Bank of India Perpetual Bonds 2025 of ₹ 10,00,000 each	50	5.11	-	-
Debentures				
Non convertible debentures of Shriram Transport Finance Company Limited 2021 of ₹ 10,00,000 each	-	-	250	32.10
7.35% non convertible debentures of NIIF Infrastructure Finance Limited of ₹ 10,00,000 each	-	-	250	25.43
Non convertible debentures of Tata Capital Financial Services Limited of ₹ 10,00,000 each	-	-	30	3.56
9.50% non convertible debentures of Piramal Capital & Housing Finance Limited 2022 of ₹ 8,00,000 each	63	5.04	-	-
		194.88		**215.36**

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

6 LOANS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Non- current		
Loans to subsidiary (Refer note 41 (d))	395.33	336.14
Loans to employees	14.72	10.56
	410.05	**346.70**
Current		
Loans to subsidiary (Refer note 41 (d))	170.39	274.31
Loans to employees	8.03	7.17
Others (other than related parties)		
Credit impaired	2.74	2.74
Less : Provision for credit impaired loans	(2.74)	(2.74)
	178.42	**281.48**

7 OTHER FINANCIAL ASSETS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Non-Current		
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	60.65	28.84
- Interest rate swaps used for hedging	0.36	-
Other financial assets carried at amortised cost		
- Government grants and claims recoverable	15.86	15.86
- Deposit accounts with maturity beyond twelve months	30.00	-
- Security deposits		
Related parties (Refer note 32)	3.55	3.56
Other than related parties	30.11	32.35
	140.53	**80.61**
Current		
Derivatives carried at fair value through profit and loss		
- Forward exchange contracts used for hedging	3.64	4.39
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	60.52	45.91
- Interest rate swaps used for hedging	3.16	1.01
Other financial assets carried at amortised cost		
- Insurance claim recoverable	1.06	0.33
- Government grants and claims recoverable	135.07	154.11
- Security deposits		
Other than related parties	1.26	2.19
- Others	21.80	9.70
	226.51	**217.64**

Notes to the standalone financial statements
for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

8 OTHER ASSETS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Non-Current		
Capital advances	188.60	158.56
Prepaid expenses	0.71	0.25
CENVAT/ Service tax/ Goods and Services Tax/ Sales tax recoverable	18.05	14.43
Claims recoverable under Post EPCG scheme and others	0.12	0.12
	207.48	**173.36**
Current		
Prepaid expenses	14.50	9.13
CENVAT/ Service tax/ Goods and Services tax/ Sales tax recoverable	41.88	67.71
Export incentives recoverable	16.21	32.76
Deposits with customs and excise authorities	15.35	17.41
Advance to suppliers	90.78	87.82
Others	1.24	1.81
	179.96	**216.64**

9 INVENTORIES

(Valued at lower of cost and net realisable value)

	As at March 31, 2022	As at March 31, 2021
Raw material (including packing material)	855.01	597.10
Stock in progress	189.36	148.97
Finished goods	432.51	284.77
Stores and spares (including fuel)	267.95	254.93
Traded goods	6.05	0.93
	1,750.88	**1,286.70**
Goods-in-transit included above :		
Raw material (including packing material)	239.65	220.11
Finished goods	119.92	78.82
Stores and spares (including fuel)	2.50	1.06
Traded goods	4.83	0.33
	366.90	**300.32**

Notes

(i) The cost of inventories recognised as an expense includes ₹ 3.18 Crores (Previous year: ₹ 10.35 Crores) in respect of write-downs of inventory to net realisable value.

(ii) Refer Note 15.1 for information on inventories pledged as security by the Company.

(iii) The method of valuation of inventories has been stated in note 1.B.12

Notes to the standalone financial statements
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(All amounts in ₹ Crores, unless otherwise stated)

10 TRADE RECEIVABLES

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good	1,350.99	1,012.00
Unsecured, credit impaired	2.28	3.96
Less: Provision for credit impaired receivables	(2.28)	(3.96)
	1,350.99	**1,012.00**

Notes

(i) The credit period generally allowed on sales varies, on a case to case basis, and from business to business and is based on market conditions. Generally credit period allowed is upto 120 days.

(ii) Ageing of receivables :

Outstanding for following periods from due date of payment	As at March 31, 2022				
	Undisputed trade receivables - considered good	Undisputed trade receivables - credit impared	Disputed trade receivables - considered good	Disputed trade receivables - credit impaired	Total
Not due	1,173.69	-	-	-	1,173.69
Less than 6 months	177.30	-	-	-	177.30
6 months - 1 year	-	0.01	-	-	0.01
1 - 2 years	-	1.06	-	-	1.06
2 - 3 years	-	-	-	-	-
More than 3 years	-	1.21	-	-	1.21
	1,350.99	**2.28**	**-**	**-**	**1,353.27**

Outstanding for following periods from due date of payment	As at March 31, 2021				
	Undisputed trade receivables - considered good	Undisputed trade receivables - credit impared	Disputed trade receivables - considered good	Disputed trade receivables - credit impaired	Total
Not due	887.68	-	-	-	887.68
Less than 6 months	123.04	0.01	-	-	123.05
6 months - 1 year	0.60	0.08	-	-	0.68
1 - 2 years	-	3.30	-	-	3.30
2 - 3 years	-	-	-	-	-
More than 3 years	0.68	0.57	-	-	1.25
	1,012.00	**3.96**	**-**	**-**	**1,015.96**

(iii) The Company has entered into receivables purchase agreements with banks to unconditionally and irrevocably sell, transfer, assign and convey all the rights, titles and interest of the Company in the receivables as identified. Receivables sold as on March 31, 2022 are of ₹ 714.62 Crores (Previous year: ₹ 343.46 Crores). The Company has derecognized these receivables as it has transferred its contractual rights to the banks with substantially all the risks and rewards of ownership and retains no control over these receivables as the banks have the right to further sell and transfer these receivables with notice to the Company.

(iv) During the previous year the Company had sold, with recourse, trade receivables amounting to ₹ 47.15 Crores to a bank for cash proceeds. These trade receivables were not derecognised because the Company retained substantially all of the risks and rewards, primarily credit risk. The amounts received on such transfer were recognised as a secured bank loan (refer note 15).

(v) No customer represents more than 10% (Previous year: Nil) of the total balances of trade receivables.

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(vi) Refer Note 15.1 for information on trade receivables pledged as security by the Company.

11 CASH AND CASH EQUIVALENTS

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
Current accounts	97.94	73.15
Exchange earners foreign currency (EEFC) accounts	20.98	12.82
Deposit accounts with maturity of three months or less *	200.00	-
Cash on hand	0.72	0.75
	319.64	**86.72**

* Refer to note 15.

12 BANK BALANCES OTHER THAN ABOVE

	As at March 31, 2022	As at March 31, 2021
Earmarked balances		
- Margin money	1.95	1.95
- Unclaimed dividend accounts	6.72	6.57
Other deposit accounts		
- Deposit accounts with maturity beyond three months upto twelve months	0.20	135.19
	8.87	**143.71**

13 SHARE CAPITAL

	As at March 31, 2022	As at March 31, 2021
Authorised share capital:		
320,000,000 (Previous Year - 120,000,000) Equity shares of ₹ 10 each	320.00	120.00
1,000,000 (Previous Year - 1,000,000) Preference shares of ₹ 100 each	10.00	10.00
1,200,000 (Previous Year - 1,200,000) Cumulative Preference shares of ₹ 50 each	6.00	6.00
Nil (Previous Year - 20,000,000) Cumulative Preference shares of ₹ 100 each	-	200.00
	336.00	**336.00**
Issued share capital:		
300,477,780 (Previous Year - 63,301,960) Equity Shares of ₹ 10 each	**300.48**	**63.30**
Subscribed capital:		
296,421,025 (Previous Year - 59,245,205) Equity Shares of ₹ 10 each fully paid up	296.42	59.24
Add: Forfeited shares - Amount originally paid up	1.02	1.02
	297.44	**60.26**

Notes to the standalone financial statements
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(All amounts in ₹ Crores, unless otherwise stated)

13.1 Fully paid equity shares

	Number of shares	Amount
Balance at March 31, 2020	**57,480,500**	**57.48**
Add : Movement during the year *	1,764,705	1.76
Balance at March 31, 2021	**59,245,205**	**59.24**
Add : Movement during the year ^ (also refer note 34 on "Employee Share Based Payments")	237,175,820	237.18
Balance at March 31, 2022	**296,421,025**	**296.42**

There are no buy back of equity shares during the period of five years immediately preceding the reporting date.

Bonus shares issued during the five years preceding the reporting date

^ During the current year, the Company has issued and allotted 236,980,820 fully paid up Bonus Equity shares of ₹ 10 each in the ratio of 4:1 (i.e. 4 Bonus Equity shares for every 1 existing equity share of the Company) to the shareholders who held shares on October 14, 2021 (Record date).

* During the year ended March 31, 2021, the Company had issued 1,764,705 fully paid up equity shares equivalent to 3.07% of the existing paid up equity capital of the Company to Qualified Institutional Buyers in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. These shares were issued at an issue price of ₹ 4,250 per share (including securities premium of ₹ 4,240 per share) for an aggregate consideration of ₹ 750 Crores. The proceeds (net of share issue expenses of ₹ 11.99 Crores charged off against securities premium) were utilised for repayment of borrowings.

Terms/ rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

During the year ended March 31, 2022, first interim dividend of ₹ 12 per share (before issue of bonus shares) and second interim dividend of ₹ 4.75 per share (post issue of bonus shares) were recognised as distributions to equity shareholders, aggregating ₹ 211.89 Crores (Previous year: ₹ 24 per share before issue of bonus shares, aggregating ₹ 141.31 Crores).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

13.2 Details of equity shares held by the holding company

	Number of fully paid ordinary shares
As at March 31, 2022	
KAMA Holdings Limited, the Holding Company	150,245,000
As at March 31, 2021	
KAMA Holdings Limited, the Holding Company	30,049,000

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

13.3 Details of eqiuty shares held by promoters:

Promoter name	Number of fully paid equity shares	% holding in that class of shares	% change during the year
As at March 31, 2022			
1. Arun Bharat Ram	137,500	0.05%	400.00%*
2. KAMA Holdings Limited	150,245,000	50.69%	400.00%*
As at March 31, 2021			
1. Arun Bharat Ram	27,500	0.05%	-
2. KAMA Holdings Limited	30,049,000	50.72%	-

* Also refer to note 13.1 above.

13.4 Details of equity shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Fully paid equity shares				
1. KAMA Holdings Limited	150,245,000	50.69%	30,049,000	50.72%
2. Amansa Holding Private Limited	11,361,408	3.83%	3,373,411	5.69%

14 OTHER EQUITY

	As at March 31, 2022	As at March 31, 2021
General reserve	648.54	648.54
Retained earnings	5,841.95	4,551.58
Cash flow hedging reserve	34.49	7.53
Capital redemption reserve	10.48	10.48
Capital reserve	219.19	219.19
Debenture redemption reserve	62.50	62.50
Employee share based payment reserve	3.22	2.54
Reserve for equity instruments through other comprehensive income	(4.22)	(4.22)
Securities premium	509.56	736.25
Cost of hedging reserve	1.65	0.62
	7,327.36	**6,235.01**

14.1 General reserve

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	648.54	573.54
Increase / (decrease) during the year	-	75.00
Balance at end of year	**648.54**	**648.54**

The general reserve is created from time to time on transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income. Items included in general reserve will not be reclassified subsequently to profit and loss.

Notes to the standalone financial statements

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(All amounts in ₹ Crores, unless otherwise stated)

14.2 Retained earnings

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	4,551.58	3,828.76
Profit for the year	1,507.01	925.06
Other comprehensive income arising from remeasurement of defined benefit obligation * (Refer note 33.2 (iv))	(4.75)	1.57
Payment of dividend on equity shares	(211.89)	(141.31)
Transfer to debenture redemption reserve	-	(62.50)
Balance at end of year	**5,841.95**	**4,551.58**

The amount that can be distributed as dividend by the Company to its equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013.

* net of income tax of ₹ 2.55 Crores (Previous year: ₹ (0.84) Crore)

14.3 Cash flow hedging reserve

(Refer note 38.3.1 (C))

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	7.53	(78.56)
Recognised / (released) during the year	39.99	132.33
Income tax related to above	(13.03)	(46.24)
Balance at end of year	**34.49**	**7.53**

The Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in the fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

14.4 Capital redemption reserve

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	10.48	10.48
Increase / (decrease) during the year	-	-
Balance at end of year	**10.48**	**10.48**

Capital Redemption Reserve is a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares. The reserve is utilised in accordance with the provisions of the Act.

Notes to the standalone financial statements
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(All amounts in ₹ Crores, unless otherwise stated)

14.5 Capital reserve

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	219.19	219.19
Increase / (decrease) during the year	-	-
Balance at end of year	**219.19**	**219.19**

Capital reserve represents amounts received pursuant to Montreal Protocol Phaseout Programme of refrigerant gases.

14.6 Debenture redemption reserve

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	62.50	75.00
Transfer from retained earnings	-	62.50
Transfer to general reserve	-	(75.00)
Balance at end of year	**62.50**	**62.50**

The Company has issued non-convertible debentures. The Company has created debenture redemption reserve out of the profits available for payment of dividend.

14.7 Employee share based payment reserve

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	2.54	1.56
Increase / (decrease) during the year	10.91	0.98
Released on vesting of shares issued under employee share purchase scheme	(10.23)	-
Balance at end of year	**3.22**	**2.54**

The Company has allotted equity shares to certain employees under an employee share purchase scheme. The employee share based payment reserve is used to recognise the value of equity settled share based payments provided to such employees as part of their remuneration. Refer note 34 for further details of the scheme.

14.8 Reserve for equity instruments through other comprehensive income

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	(4.22)	(4.22)
Net fair value gain on investment in equity instruments at FVTOCI	-	-
Balance at end of year	**(4.22)**	**(4.22)**

This reserves represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amount reclassified to retained earnings when those assets have been disposed of.

Notes to the standalone financial statements
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14.9 Securities premium

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	736.25	-
Recognised on issue of equity shares	-	736.25
Utilisation on issue of bonus equity shares	(236.98)	-
Recognised on vesting of shares issued under employee share purchase scheme	10.29	-
Balance at end of year	**509.56**	**736.25**

Securities premium represents the amount received in excess of the face value upon issue of equity shares. The same may be, inter-alia, utilised for issue of fully paid bonus shares or for buy-back of equity shares by the Company, in accordance with the provisions of the Act. During the previous year, expenses amounting to ₹ 11.99 Crores incurred on issue of equity shares under Qualified Institutional Placement have been charged off against securities premium (Refer note 13.1).

14.10 Cost of hedging reserve

(Refer note 38.3.1 (C))

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	0.62	-
Recognised / (released) during the year	1.48	0.95
Income tax related to above	(0.45)	(0.33)
Balance at end of year	**1.65**	**0.62**

The cost of hedging reserve reflects gain or loss on the portion excluded from the designated hedging instrument that relates to the forward element of forward contracts. It is initially recognised in other comprehensive income and accounted for similarly to gains or losses in the cash flow hedging reserve.

15 BORROWINGS

	As at March 31, 2022	As at March 31, 2021
Non-current		
Secured		
2,500 Nos. (Previous year: 2,500 Nos.), Three Months T Bill plus 188 bps, listed, secured, redeemable, non-convertible debentures of ₹ 10 lakhs each* (Refer note 15.1.1)	250.00	250.00
Term Loans from banks* ^ (Refer note 15.1.2)	1,461.15	1,387.81
Term Loans from others* (Refer note 15.1.3)	141.07	175.01
Less: Current maturities of long-term borrowings*	(662.49)	(390.58)
	1,189.73	**1,422.24**

* Above amount of borrowings are net of upfront fees paid ₹ 2.39 Crores (Previous year: ₹ 2.84 Crores).

^ Out of a term loan of ₹ 227.91 Crores obtained towards the end of the current year, unutilised balance of ₹ 200 Crores as on March 31, 2022 has been temporarily invested in fixed deposit with a bank. There was no such loan / amount in previous year.

Notes to the standalone financial statements
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	As at March 31, 2022	As at March 31, 2021
Current		
Secured		
Loans repayable on demand from banks (Refer note 15.1.4.(i))	158.30	233.38
Bills discounted with banks (Refer note 15.1.4.(ii))	-	47.15
Current maturities of long-term borrowings	662.49	390.58
	820.79	**671.11**
Unsecured		
Loans repayable on demand from banks	464.38	381.73
Commercial papers from banks and others #	300.00	100.00
	764.38	**481.73**
	1,585.17	**1,152.84**

Maximum amount due during the year is ₹ 500.00 Crores (Previous year: ₹ 600.00 Crores)

The quarterly returns or statements of current assets filed by the Company with the banks are in agreement with the books of account of the Company.

There have been no defaults in repayment of principal and interest on borrowings during the reporting periods.

15.1 Details of security of the secured loans:

Details of Loan	As at March 31, 2022#	As at March 31, 2021#	Security
1 2,500 (Previous Year : 2,500), Three Months T-Bill plus 188 bps, Listed, Secured, Redeemable, Non-Convertible Debentures of the face value of ₹ 10 lakhs each * Terms and conditions a) Redeemable at face value in one single installment at the end of 2nd year from the date of allotment. b) Coupon is payable on a quarterly basis every year.	250.00	250.00	Debentures are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh, Kashipur in the State of Uttarakhand (other than moveable assets of Laminated Fabrics Business) and Dahej in the State of Gujarat (excluding certain assets).
2 (i) Term loan from Banks *	1,463.21	1,390.07	**Moveable property** (a)(i) Out of the loans as at 2(i), loans aggregating to ₹ 1,008.83 Crores (Previous Year – ₹ 1,099.30 Crores) are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh and Kashipur (other than moveable assets of Laminated Fabrics Business) in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets). (a)(ii) Out of the loans as at 2(i), loans aggregating to ₹ 454.38 Crores (Previous Year – ₹ 290.77 Crores) are in the process of being secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai(other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh and Kashipur (other than moveable assets of Laminated Fabrics Business) in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets). **Immoveable property** (b)(i) Out of the loans as at 2(i) loans aggregating to ₹ 516.71 Crores (Previous Year – ₹ 849.30 Crores) are secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu and Kashipur in the State of Uttarakhand. (b)(ii) Out of the loans as at 2(b)(i)) loans aggregating to ₹ 289.09 Crores (Previous Year – ₹ 400.99 Crores) are additionally secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Jhiwana in the State of Rajasthan. (b)(iii) Out of the loans as at 2(i), the term loans aggregating to ₹ Nil (Previous Year – ₹ 38.50 Crores) are to be further secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Jhiwana in the State of Rajasthan.
3 Term loans from others	141.40	175.59	Secured by the hypothecation and equitable mortgage of Company's moveable and immoveable properties at Dhar in the State of Madhya Pradesh.
4 (i) Loans repayable on demand from banks	158.30	233.38	Secured by hypothecation of stocks, stores and book debts (current assets), both present and future at Manali, Viralimalai (other than current assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Indore in the State of Madhya Pradesh and Kashipur (other than current assets of Laminated Fabrics Business) in the State of Uttarakhand.
(ii) Bills discounted with banks	-	47.15	Secured against certain trade receivables of the Company. (Also refer note 10(iv))

* Such hypothecation in respect of Non convertible debentures mentioned in point no. 1 and hypothecation and equitable mortgage mentioned in point no. 2 rank pari-passu inter se between term loans from banks / Non convertible debentures (both current year and previous year).

Gross of upfront fees paid ₹ 2.39 Crores (Previous year : ₹ 2.84 Crores)

Notes to the standalone financial statements
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15.2 Terms of loans

As at March 31, 2022

NON CURRENT BORROWINGS

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2023	Up to March 31, 2024	Up to March 31, 2025	From 2025 to 2027
Redeemable Non-Convertible Debentures	Redeemable at face value on maturity	Floating rate at 5.63%	250.00	-	-	-
Term loan from banks	Quarterly payments	Ranging from 0.94% to 5.85%	334.19	270.02	205.28	122.54
	Half yeary payments	Fixed rate of 1.23%	24.08	24.08	240.82	-
	Bullet	Ranging from 1.18% to 6.65%	15.00	-	227.19	-
Term loan from others	Half yeary payments	Floating rate at 1.46%	40.38	40.38	40.38	20.27
			663.65	**334.48**	**713.67**	**142.81**

Amounts mentioned above are gross of upfront fees paid of ₹ 2.39 Crores.

CURRENT BORROWINGS

Short term borrowings are either payable in installments within one year or repayable on demand. For short term borrowings, interest rate ranges from 0.26% to 4.05%.

As at March 31, 2021

NON CURRENT BORROWINGS

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2022	Up to March 31, 2023	Up to March 31, 2024	From 2024 to 2027
Redeemable Non-Convertible Debentures	Redeemable at face value on maturity	Floating rate at 5.23%	-	250.00	-	-
Term loan from banks	Quarterly payments	Ranging from 0.71% to 6.25%	331.38	321.67	217.49	169.26
	Half yeary payments	Ranging from 1.23% to 7.85%	17.63	55.76	23.26	232.62
	Yearly payments	Floating rate at 7.25%	4.00	1.00	1.00	-
	Bullet	Fixed rate of 6.65%	-	15.00	-	-
Term loan from others	Half yeary payments	Floating rate at 2.01%	39.00	39.00	39.00	58.58
			392.01	**682.43**	**280.75**	**460.46**

Amounts mentioned above are gross of upfront fees paid of ₹ 2.84 Crores.

CURRENT BORROWINGS

Short term borrowings are either payable in installments within one year or repayable on demand. For short term borrowings, interest rate ranges from 0.32% to 4.73%.

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Terms of repayment

1) Reedemable non convertible debenture of ₹ 250 Crores is repayable in one bullet instalment in September 2022 (Previous year: ₹ 250 Crores repayable in one bullet instalment in September 2022).
2) Rupee term loan from bank of ₹ 38.50 Crores was prepaid in current year in October 2021 (Previous year: ₹ 38.50 Crores repayable in 3 half yearly instalments from August 2021).
3) Rupee term loan from bank of ₹ 8.22 Crores is repayable in 2 quarterly instalments from June 2022 (Previous year: ₹ 24.66 Crores repayable in 6 quarterly instalments from June 2021).
4) Rupee term loan from bank of ₹ 6.00 Crores was prepaid in current year in October 2021 (Previous year: ₹ 6.00 Crores repayable in 3 annual instalments from December 2021).
5) Rupee term loan from bank of ₹ 203.13 Crores is repayable in 13 quarterly instalments from April 2022 (Previous year: ₹ 250.00 Crores repayable in 16 quarterly instalments from July 2021).
6) Foreign currency term loan from bank of ₹ 23.67 Crores is repayable in 1 quarterly instalment in June 2022 (Previous year: ₹ 114.30 Crores repayable in 5 quarterly instalments from June 2021).
7) Foreign currency term loan from bank of ₹ 265.87 Crores is repayable in 12 quarterly instalments from May 2022 (Previous year: ₹ 361.33 Crores repayable in 16 quarterly instalments from May 2021).
8) Foreign currency term loan from bank of ₹ 94.66 Crores is repayable in 7 quarterly instalments from April 2022 (Previous year: ₹ 143.69 Crores repayable in 11 quarterly instalments from April 2021).
9) Foreign currency term loan from others of ₹ 141.40 Crores is repayable in 7 half yearly instalments from April 2022 (Previous year: ₹ 175.59 Crores repayable in 9 half yearly instalments from April 2021).
10) Foreign currency term loan from bank of ₹ 15.00 Crores is repayable in one bullet instalment in June 2022 (Previous year: ₹ 15.00 Crores is repayable in one bullet instalment in June 2022).
11) Foreign currency term loan from bank of ₹ 109.29 Crores is repayable in 5 quarterly instalments from April 2022 (Previous year: ₹ 145.82 Crores repayable in 12 quarterly instalments from April 2021).
12) Foreign currency term loan from bank of ₹ 288.99 Crores is repayable in 4 half yearly instalments from September 2022 and then 12 monthly instalments from April 2024 onwards (Previous year: ₹ 290.77 Crores repayable in 5 half yearly instalments from March 2022 and then 12 monthly instalments from April 2024 onwards).
13) Foreign currency term loan from bank of ₹ 227.19 Crores is repayable in one bullet instalment in March 2025 (Previous year: Nil).
14) Foreign currency term loan from bank of ₹ 227.19 Crores is repayable in 17 quarterly instalments from March 2023 (Previous year: Nil).

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16 PROVISIONS

	As at March 31, 2022	As at March 31, 2021
Non-Current		
Provision for employee benefits		
Provision for compensated absences (Refer note 33.3)	44.69	38.06
Provision for retention pay (Refer note 33.3)	0.17	0.17
	44.86	**38.23**
Current		
Provision for employee benefits		
Provision for compensated absences (Refer note 33.3)	5.42	7.00
	5.42	**7.00**

17 DEFERRED TAX (NET)

The following is the analysis of deferred tax assets / (liabilities) presented in balance sheet

	As at March 31, 2022	As at March 31, 2021
Deferred tax assets	79.54	293.83
Deferred tax liabilities	(692.58)	(620.29)
Deferred tax liabilities, net	**(613.04)**	**(326.46)**

The major components of deferred tax assets / (liabilities) arising on account of temporary differences are as follows:

2021-22	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	MAT Credit Entitlement utilised	Closing balance
Deferred tax assets					
Expenses deductible in future years	15.08	2.08	-	-	17.16
Provision for credit impaired loans / receivables	0.99	(0.42)	-	-	0.57
MAT Credit Entitlement	274.66	25.27	-	(241.48)	58.45
Others	3.10	0.26	-	-	3.36
	293.83	**27.19**	**-**	**(241.48)**	**79.54**
Deferred tax liabilities					
Property, plant and equipment and intangible assets	(603.82)	(58.07)	-	-	(661.89)
Investment in mutual funds	(10.85)	(1.09)	-	-	(11.94)
Cash flow hedges	(4.27)	-	(13.48)	-	(17.75)
Others	(1.35)	0.35	-	-	(1.00)
	(620.29)	**(58.81)**	**(13.48)**	**-**	**(692.58)**
Total	**(326.46)**	**(31.62)**	**(13.48)**	**(241.48)**	**(613.04)**

Notes to the standalone financial statements
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2020-21	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	MAT Credit Entitlement utilised	Closing balance
Deferred tax assets					
Expenses deductible in future years	13.77	1.31	-	-	15.08
Provision for credit impaired loans / receivables	0.61	0.38	-	-	0.99
MAT Credit Entitlement	367.07	5.38	-	(97.79)	274.66
Cash flow hedges	42.30	-	(42.30)	-	-
Others	4.65	(1.55)	-	-	3.10
	428.40	**5.52**	**(42.30)**	**(97.79)**	**293.83**
Deferred tax liabilities					
Property, plant and equipment and intangible assets	(538.64)	(65.18)	-	-	(603.82)
Investment in mutual funds	(7.95)	(2.90)	-	-	(10.85)
Cash flow hedges	-	-	(4.27)	-	(4.27)
Others	(6.23)	4.88	-	-	(1.35)
	(552.82)	**(63.20)**	**(4.27)**	**-**	**(620.29)**
Total	**(124.42)**	**(57.68)**	**(46.57)**	**(97.79)**	**(326.46)**

Note:

(i) MAT credit entitlement of ₹ 74.02 Crores (Previous year: ₹ 74.02 Crores) expiring in the financial year ending March 31, 2035 is not recognised, due to expected timing of exercise of the option under section 115BAA of Income Tax Act, 1961.

18 TRADE PAYABLES

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises#		
- Acceptances*	3.61	-
- Other than acceptances	52.37	33.37
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Acceptances*	192.59	107.61
- Other than acceptances	1,091.80	1,055.51
	1,340.37	**1,196.49**

Refer to note 18.1

* Acceptances represent invoices discounted by vendors with banks.

Notes to the standalone financial statements
for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(i) Ageing of trade payables :

Outstanding for following periods from due date of payment	As at March 31, 2022				
	Dues of micro enterprises and small enterprises	Dues of creditors other than micro enterprises and small enterprises	Disputed dues of micro enterprises and small enterprises	Disputed dues of creditors other than micro enterprises and small enterprises	Total
Unbilled dues	-	153.48	-	-	153.48
Not due	55.98	1,035.16	-	-	1,091.14
Less than 1 year	-	92.55	-	-	92.55
1 - 2 years	-	3.07	-	-	3.07
2 - 3 years	-	-	-	-	-
More than 3 years	-	0.13	-	-	0.13
	55.98	**1,284.39**	**-**	**-**	**1,340.37**

Outstanding for following periods from due date of payment	As at March 31, 2021				
	Dues of micro enterprises and small enterprises	Dues of creditors other than micro enterprises and small enterprises	Disputed dues of micro enterprises and small enterprises	Disputed dues of creditors other than micro enterprises and small enterprises	Total
Unbilled dues	-	119.16	-	-	119.16
Not due	33.37	974.85	-	-	1,008.22
Less than 1 year	-	64.93	-	-	64.93
1 - 2 years	-	2.28	-	-	2.28
2 - 3 years	-	-	-	-	-
More than 3 years	-	1.90	-	-	1.90
	33.37	**1,163.12**	**-**	**-**	**1,196.49**

18.1 Total outstanding dues of micro enterprises and small enterprises

Trade payables include the following dues to micro and small enterprises covered under "The Micro, Small and Medium Enterprises Development Act, 2006" (MSMED) to the extent such parties have been identified from the available information.

	As at March 31, 2022	As at March 31, 2021
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year		
- Principal amount**	108.82	52.02
- Interest due thereon	-	-
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	-	-
- Interest actually paid under section 16 of MSMED/ settled	-	-
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	-	-
Interest accrued and remaining unpaid at the end of the year		
- Interest accrued during the year	-	-
- Interest remaining unpaid as at the end of the year	-	-
Interest remaining due and payable even in the succeeding years, until such date when the interest dues are actually paid, for the purpose of disallowance of a deductible expenditure	-	-

Notes to the standalone financial statements
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** including payable to micro enterprises and small enterprises included in other financial liabilities (refer note 19).

19 OTHER FINANCIAL LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Non-Current		
Derivatives carried at fair value through other comprehensive income		
Interest rate swaps used for hedging	-	0.54
Payables to capital creditors		
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Acceptances*	153.53	-
	153.53	**0.54**

* Acceptances represent amount payable under letter of credit arrangements with the vendor / banks.

	As at March 31, 2022	As at March 31, 2021
Current		
Interest accrued but not due on borrowings	3.70	4.47
Unpaid dividends^	6.72	6.57
Security deposits received	8.15	8.62
Payables to capital creditors		
Total outstanding dues of micro enterprises and small enterprises#		
- Acceptances*	10.56	-
- Other than acceptances	42.28	18.65
Total outstanding dues of creditors other than micro enterprises and small enterprises	60.36	27.65
Others	16.38	43.12
	148.15	**109.08**

* Acceptances represent invoices discounted by vendors with banks.

^ Amount will be credited to investor education and protection fund if not claimed within seven years from the date of declaration of dividend.

Refer to note 18.1

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

20 TAX ASSETS AND LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Non - Current tax assets		
Advance tax (net of provision for tax)	**21.31**	**33.74**
Current tax liablities		
Provision for tax (net of advance tax)	**9.75**	**9.73**

21 OTHER LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Current		
Contract liability (Refer note 39)	23.85	13.53
Statutory liabilities	30.78	26.00
Payable to gratuity trust (Refer note 33.2)	11.57	4.52
Other payables	41.36	31.74
	107.56	**75.79**

22 REVENUE FROM OPERATIONS

	Year ended March 31, 2022	Year ended March 31, 2021
Sale of products		
Manufactured goods	9,696.55	6,817.90
Traded goods	140.00	69.59
	9,836.55	**6,887.49**
Other operating revenues		
Claims	-	0.52
Export and other incentives	48.42	69.23
Scrap sales	45.92	28.36
Other operating income	22.55	2.72
	116.89	**100.83**
	9,953.44	**6,988.32**

Reconciliation of revenue from sale of products with the contracted price

	Year ended March 31, 2022	Year ended March 31, 2021
Contracted price	9,920.88	7,017.01
Less: Discounts, allowances and claims	(84.33)	(129.52)
Sale of products	**9,836.55**	**6,887.49**

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

23 OTHER INCOME

	Year ended March 31, 2022	Year ended March 31, 2021
Interest income		
- from customers	0.01	0.01
- on loans, deposits and investments	28.85	1.58
- on others	3.33	7.65
Net gain on sale/ discarding of property, plant and equipment	3.09	0.39
Net gain on financial assets measured at fair value through profit and loss	7.06	25.45
Net foreign currency exchange fluctuation gains	71.40	-
Provision/ liabilities no longer required written back	2.59	11.42
Other non-operating income	18.98	16.80
	135.31	**63.30**

24.1 COST OF MATERIALS CONSUMED

	Year ended March 31, 2022	Year ended March 31, 2021
Opening stock of raw materials	597.10	465.59
Add: Purchases of raw materials	5,006.17	3,410.01
Less: Closing stock of raw materials	855.01	597.10
Cost of materials consumed*	**4,748.26**	**3,278.50**

* including packing material

24.2 PURCHASES OF STOCK IN TRADE

	Year ended March 31, 2022	Year ended March 31, 2021
Purchase of stock in trade	137.27	60.49
	137.27	**60.49**

24.3 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the end of the year :		
Stock-in-Process	189.36	148.97
Finished goods	432.51	284.77
Traded goods	6.05	0.93
	627.92	**434.67**
Inventories at the beginning of the year :		
Stock-in-Process	148.97	152.85
Finished goods	284.77	251.88
Traded goods	0.93	1.73
	434.67	**406.46**
Net (increase) / decrease	**(193.25)**	**(28.21)**

Notes to the standalone financial statements
for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

25 EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages, including bonus	521.20	444.80
Contribution to provident and other funds	35.98	33.74
Workmen and staff welfare expenses	72.69	54.61
Employee share based payment expense (Refer note 34)	28.61	0.98
	658.48	**534.13**

26 FINANCE COST

	Year ended March 31, 2022	Year ended March 31, 2021
Interest cost ^		
- Non-convertible debentures	13.23	12.27
- Term loans and others	48.07	82.52
- Lease liabilities	8.69	6.49
Other borrowing costs	10.05	9.15
Exchange differences regarded as an adjustment to borrowing costs	14.41	0.78
	94.45	**111.21**

^ pertains to liabilities measured at amortised cost.

27 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of property, plant and equipment	387.84	358.32
Depreciation of right-of-use assets	24.43	18.06
Amortisation of intangible assets	6.96	7.22
	419.23	**383.60**

28 OTHER EXPENSE

	Year ended March 31, 2022	Year ended March 31, 2021
Stores and spares consumed	63.01	51.79
Power and fuel	984.23	632.06
Labour production	46.08	36.93
Rent*	27.54	15.62
Repairs and maintenance		
- Buildings	7.68	5.15
- Plant and machinery	185.34	152.85
- Others	34.33	30.33
Insurance	38.37	33.26
Rates and taxes	11.92	8.37
Freight charges	420.82	238.39
Expenditure on corporate social responsibility**	19.06	12.88
Legal and professional charges	35.35	27.39
Travelling and conveyance	7.68	3.89
Directors' sitting fees	0.29	0.27
Selling commission	13.11	18.29
Credit impaired assets provided/ written off	0.76	12.06
Property, plant and equipment provided/ written off ^	11.48	1.37
Auditor remuneration ^^		
- Audit fees	0.65	0.65
- For limited review of unaudited financial results	0.54	0.54
- For Corporate governance, consolidated financial statements and other certificates	0.07	0.07
- For tax audit	0.08	0.08
- Reimbursement of out of pocket expenses	0.10	0.07
Effluent disposal expenses	120.54	76.18
Net foreign currency exchange fluctuation loss	-	7.21
Miscellaneous expenses	40.24	36.23
	2,069.27	**1,401.93**

* Refer to note 37

** Refer to note 41(f)

^ Including amount of ₹ 5.75 Crores (Previous year: Nil) recognised on fair valuation of assets classified as held for sale. Also refer to note 40

^^ Excluding fees of ₹ 0.43 Crore in previous year for QIP related attestation and certification, netted off from securities premium.

29 INCOME TAX RECOGNISED IN PROFIT AND LOSS

	Year ended March 31, 2022	Year ended March 31, 2021
Current tax		
In relation to current year	616.41	327.21
Adjustment in relation to earlier years	-	0.02
	616.41	**327.23**
Deferred tax		
- MAT credit entitlement		
In relation to current year	-	-
Adjustment in relation to earlier years	(25.27)	(5.38)
	(25.27)	**(5.38)**

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
- Others		
In relation to current year	48.93	58.71
Adjustment in relation to earlier years	7.96	4.35
	56.89	**63.06**
Total tax expense	**648.03**	**384.91**

The income tax expenses for the year can be reconciled to the accounting profits as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax	**2,155.04**	**1,309.97**
Income Tax Expenses @ 34.944% (Previous year: 34.944%)	753.06	457.76
Effect of deductions (research and development, share issue expenses and deductions under chapter VI A of Income Tax Act)	(79.28)	(54.59)
Effect of expenses that are not deductible in determining taxable profit	13.15	5.48
Effect of re-measurement of deferred tax balances / lower tax rate on certain temporary differences pursuant to Section 115BAA of Income Tax Act	(21.59)	(22.73)
Income tax expenses recognised in statement of profit and loss in relation to current year	**665.34**	**385.92**
Income tax credit recognised in statement of profit and loss in relation to earlier years (Refer note (ii) below)	(17.31)	(1.01)
Total Income tax expenses recognised in profit and loss	**648.03**	**384.91**

Notes:

(i) The tax rate used for the current year reconciliation above is the corporate tax rate of 34.944% (Previous year: 34.944%) payable by corporate entities in India on taxable profits under the Indian tax law.

(ii) Income tax in relation to earlier years includes tax credit of ₹ 15.42 Crores (Previous year: tax expense of ₹ 1.62 Crores) which is related to finalization and determination of deduction / allowance claimed for earlier years under Chapter-VIA of the Income-tax Act, 1961, for generation of power from captive power plants which is based on finalization of transfer pricing study / tax audit reports of the previous year.

30 INCOME TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Year ended March 31, 2022	Year ended March 31, 2021
Arising on income and expense recognised in other comprehensive income		
Net (gain)/ loss on designated portion of hedging instruments in cash flow hedges	(13.03)	(46.24)
Cost of Hedging Reserve	(0.45)	(0.33)
Remeasurement of defined benefit obligation	2.55	(0.84)
	(10.93)	**(47.41)**

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to profit or loss	(13.48)	(46.57)
Items that will not be reclassified to profit or loss	2.55	(0.84)
	(10.93)	**(47.41)**

31 CONTINGENT LIABILITIES AND COMMITMENTS

	As at March 31, 2022	As at March 31, 2021
a. Claims against the Company not acknowledged as debts		
Goods and services tax, excise duty, custom duty and service tax*	8.39	23.11
Sales tax and entry tax **	19.17	20.38
Income tax (also refer note b(ii) and b(iii) below) ***	22.26	3.74
Others ****	10.40	13.19

* Amount deposited against contingent liability ₹ 1.23 Crores (Previous year: ₹ 1.79 Crores)

** Amount deposited against contingent liability ₹ 6.74 Crores (Previous year: ₹ 7.59 Crores)

*** Amount deposited against contingent liability ₹ 2.98 Crores (Previous year: ₹ 3.09 Crores)

**** Amount deposited against contingent liability ₹ 0.42 Crore (Previous year: ₹ 0.40 Crore)

**** Includes demand by Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Ltd. (MPPKVV Ltd) of ₹ 8.12 Crores (Previous year: ₹ 11.40 Crores).

All the above matters are subject to legal proceedings in the ordinary course of business. In the opinion of the management, the legal proceedings, when ultimately concluded, will not have a material effect on the results of the operations or financial position of the Company.

b. (i) The Company has been served with show cause notices regarding certain transactions as to why additional customs / excise duty / service tax / goods and service tax amounting to ₹ 18.86 Crores (Previous year: ₹ 18.58 Crores) should not be levied. The Company has been advised that the contention of the department is not tenable and hence the show cause notice may not be sustainable.

(ii) The Company has received a notice for assessment year 2018-19 on April 13, 2022 on account of non deduction of TDS on foreign payments involving an amount of ₹ 14.34 Crores. Based on the facts of the case and the Company's assessment, the Company is of the view that the proposed adjustments are not likely to sustain.

(iii) Besides the above, the Company has received final assessment orders for assessment years 2017-18 and 2018-19 on April 30,2022 in which adjustments amounting to ₹ 277.31 Crores and ₹ 323.09 Crores respectively were made on account of transfer pricing adjustments, research and development expenditure and others etc. (in line with earlier years) and a demand of ₹ 1.20 Crores and ₹ 96.71 Crores respectively has been raised. The Company plans to file rectification application towards certain computation errors and for rest of the issues, appeal will be filed

Notes to the standalone financial statements

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before Income Tax Appellate Tribunal. Based on the facts of the case and the management's assessment, the Company is of the view that the proposed adjustments are not likely to sustain.

c. Guarantees given to banks and others for repayment of financial facilities availed by wholly owned subsidiaries are as below:

Name of the subsidiary	Currency	Guarantee amount as at				Loan / payable outstanding against the guarantee as at			
		March 31, 2022		March 31, 2021		March 31, 2022		March 31, 2021	
		In Millions	In ₹ Crores^	In Millions	In ₹ Crores^^	In Millions	In ₹ Crores^	In Millions	In ₹ Crores^^
SRF Flexipak South Africa (Pty Limited	USD	-	-	46.00	336.49	-	-	3.00	21.95
	USD	8.00	60.58	-	-	-	-	-	-
SRF Global BV	EUR	-	-	22.00	188.72	-	-	-	-
	USD	44.00	333.21	44.00	321.86	11.13	84.29	10.00	73.16
SRF Industries (Thailand) Limited	EUR	18.00	151.33	18.00	154.40	18.00	151.33	18.00	154.40
	EUR	12.76	107.27	12.76	109.46	5.84	49.10	8.56	73.44
	USD	17.20	130.26	-	-	15.12	114.50	-	-
SRF Europe Kft (Hungry)	EUR	22.00	184.95	22.00	188.72	-	-	-	-
	EUR	77.00	647.34	77.00	660.51	64.13	539.14	57.50	493.24

^ Converted using closing exchange rate - USD 75.73 and Euro 84.07

^^ Converted using closing exchange rate - USD 73.15 and Euro 85.78

d. The amounts shown above represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately or relate to a present obligations that arise from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate cannot be made.

e. Capital and other commitments

		As at March 31, 2022	As at March 31, 2021
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	913.41	690.96
(ii)	The Company has other commitments, for purchases / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits including union agreements in normal course of business. The Company does not have any long term contracts including derivative contracts for which there will be any material foreseeable losses which have not been provided for.		
(iii)	Export obligation under advance license scheme on duty free import of specific raw materials, remaining outstanding is ₹ 721.78 Crores (Previous year: ₹ 619.36 Crores).		

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

32 RELATED PARTY TRANSACTIONS

32.1 Description of related parties under Ind AS - 24 "Related party disclosures"

Ultimate Holding Entity

ABR Family Trust

Holding Company

KAMA Holdings Limited

Subsidiaries

SRF Holiday Home Limited

SRF Global BV

SRF Industries (Thailand) Limited

SRF Industex Belting (Pty) Limited

SRF Flexipak (South Africa) (Pty) Limited

SRF Europe Kft

SRF Employees Welfare Trust (Controlled trust)

SRF Altech Limited *

Fellow subsidiaries #

KAMA Realty (Delhi) Limited

Shri Educare Limited

SRF Transnational Holding Limited

Post Employment Benefit Plans Trust #

SRF Limited Officers Provident Fund Trust

SRF Employees Gratuity Trust

SRF Officers Gratuity Trust

KMP of Holding Company #

Ekta Maheshwari

Jagdeep Singh Rikhy **

Key management personnel (KMP) #

Arun Bharat Ram ^

Ashish Bharat Ram

Kartik Bharat Ram

Tejpreet S Chopra

Lakshman Lakshminarayan

Vellayan Subbiah

Meenakshi Gopinath ^^

Pramod Gopaldas Gujarathi

Bharti Gupta Ramola

Yash Gupta

Puneet Yadu Dalmia

Enterprises over which KMP have significant influence #

SRF Foundation

SRF Welfare Trust

BLP Industry AI Private Limited

Relative of KMP #

Sushil Ramola

Murugappan Vellayan Subbiah

Relative of KMP of Holding Company #

Nirmala Kothari

Enterprises over which relative of KMP has control #

Murugappa & Sons

^ upto March 31, 2022

^^ upto August 31, 2021

* from March 15, 2022

** from December 03, 2021

Only with whom the Company had transactions during the year

Notes to the standalone financial statements
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(All amounts in ₹ Crores, unless otherwise stated)

32.2 Transactions with related parties

	Year ended March 31, 2022	Year ended March 31, 2021
Sale of goods to:		
Subsidiaries	75.33	28.27
Enterprises over which KMP have significant influence	0.04	-
	75.37	**28.27**
Purchase of goods from:		
Subsidiaries	44.18	17.50
	44.18	**17.50**
Purchase of property, plant & equipment and intangible assets from:		
Subsidiaries	-	15.37
	-	**15.37**
Sale of property, plant & equipment and intangible assets to:		
Subsidiaries	-	1.94
Fellow Subsidiaries	0.19	-
	0.19	**1.94**
Services rendered to:		
Subsidiaries	13.97	8.78
	13.97	**8.78**
Receiving of Services from:		
Enterprises over which KMP have significant influence	0.19	0.07
	0.19	**0.07**
Rent paid to:		
Fellow Subsidiaries	6.60	6.60
Subsidiaries	0.06	0.06
Key management personnel	0.26	0.27
Enterprises over which KMP have significant influence	0.27	0.27
	7.19	**7.20**
Reimbursement of expenses from:		
Holding Company	0.01	0.01
Subsidiaries	1.25	1.50
Fellow Subsidiaries	0.04	0.05
	1.30	**1.56**
Loan given to:		
Subsidiaries	230.20	617.48
	230.20	**617.48**
Loan received back from:		
Subsidiaries	277.41	-
	277.41	**-**
Interest received from:		
Subsidiaries	8.37	0.39
	8.37	**0.39**

Notes to the standalone financial statements
for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Deposits received back from:		
Key management personnel	0.01	-
	0.01	**-**
Contribution for expenditure on corporate social responsibility:		
Enterprises over which KMP have significant influence	21.38	9.18
	21.38	**9.18**
Investments made in:		
Subsidiaries	5.06	*
	5.06	**-**

* Amount in absolute in previous year ₹ 25,000

	Year ended March 31, 2022	Year ended March 31, 2021
Contribution to post employment benefit plans:		
Post Employment Benefit Plans Trust	30.20	35.41
	30.20	**35.41**
Employee benefit obligations transferred to:		
Holding Company	-	0.02
Fellow Subsidiaries	0.20	-
Enterprises over which KMP have significant influence	-	^
	0.20	**0.02**

^ Amount in absolute in previous year ₹ 25,962

	Year ended March 31, 2022	Year ended March 31, 2021
Equity dividend paid:		
Holding Company	107.43	72.12
Key management personnel	0.15	0.12
Relative of KMP	0.11	0.07
KMP of Holding Company	*	*
Relative of KMP of Holding Company	^	^
Enterprises over which relative of KMP has control	#	#
	107.69	**72.31**

* Amount in absolute ₹ 1,095 (Previous year: ₹ 168)

^ Amount in absolute ₹ 358 (Previous year: ₹ 240)

Amount in absolute ₹ 36,966 (Previous year: ₹ 24,618)

	Year ended March 31, 2022	Year ended March 31, 2021
Bonus shares issued:		
Holding Company (No. of shares: 120,196,000 ; Previous year: Nil)	-	-
Key management personnel (No. of shares: 178,968 ; Previous year: Nil)	-	-
Relatives of KMP (No. of shares :110,388 ; Previous year: Nil)	-	-
KMP of Holding Company (No. of shares: 76 ; Previous year: Nil)	-	-
Relatives of KMP of Holding Company (No. of shares: 40; Previous year: Nil)	-	-

Notes to the standalone financial statements
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(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Enterprises over which relative of KMP has control (No. of shares: 4,136 ; Previous year: Nil)	-	-
	-	-
Guarantees issued / renewed:		
Subsidiaries*	190.84	109.46
	190.84	**109.46**
Guarantees run-down / released:		
Subsidiaries*	533.31	879.12
	533.31	**879.12**

* Converted using closing exchange rate - March 31, 2022 : USD 75.73 and EUR 84.07 (Previous year: USD 73.15, EUR 85.78 and THB 2.34).

32.3 Outstanding Balances:

	As at March 31, 2022	As at March 31, 2021
Receivables		
Subsidiaries	8.82	11.47
Post Employment Benefit Plans Trust	11.48	1.49
	20.30	**12.96**
Payables		
Subsidiaries	5.15	9.03
Post Employment Benefit Plans Trust	13.30	6.02
	18.45	**15.05**
Interest receivable		
Subsidiaries	2.05	0.39
	2.05	**0.39**
Commission payable		
Key management personnel	18.90	12.84
	18.90	**12.84**
Security deposits outstanding		
Subsidiaries	0.02	0.02
Fellow Subsidiaries	3.27	3.27
Key management personnel	0.12	0.13
Enterprises over which KMP have significant influence	0.14	0.14
	3.55	**3.56**
Equity Investment outstanding		
Subsidiaries	88.66	83.60
	88.66	**83.60**

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	As at March 31, 2022	As at March 31, 2021
Loans outstanding		
Subsidiary	565.72	610.45
	565.72	**610.45**
Guarantees outstanding		
Subsidiaries**	1,614.94	1,960.15
	1,614.94	**1,960.15**

** Converted using closing exchange rate - March 31, 2022 : USD 75.73 and EUR 84.07 (Previous year: USD 73.15 and EUR 85.78).

32.4 Key management personnel compensation

	Year ended March 31, 2022	Year ended March 31, 2021
Short-term benefits*	34.88	26.21
Post-employment benefits	2.15	1.44
Other long-term benefits	1.19	0.97
	38.22	**28.62**

*Includes sitting fees and commission paid/ payable to non executive directors

33 EMPLOYEE BENEFITS

33.1 Defined contribution plans:

Amounts recognized in the statement of profit and loss are as under:

	Year ended March 31, 2022	Year ended March 31, 2021
Superannuation fund (Refer to note (i) below)	0.59	0.61
Provident fund administered through Regional Provident Fund Commissioner (Refer to note (ii) below)	15.11	14.02
Employees' State Insurance Corporation	0.40	0.43
National Pension Scheme	1.71	1.34
	17.81	**16.40**

The expenses incurred on account of the above defined contribution plans have been included in Note 25 "Employee Benefits Expenses" under the head "Contribution to provident and other funds".

(i) Superannuation fund

The Company makes contributions to a Trust which in turn contributes to ICICI Prudential Life Insurance Company Limited. Apart from being covered under the Gratuity Plan described below, the employees of the Company also participate in a defined contribution superannuation plan maintained by the Company. The Company has no further obligations under the plan except making annual contributions based on a specified percentage of each covered employee's salary. From November 1, 2006, the

Notes to the standalone financial statements
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(All amounts in ₹ Crores, unless otherwise stated)

Company provided an option to the employees to receive the said benefit as cash compensation along with salary in lieu of the superannuation benefit. Thus, no contribution is required to be made for the category of employees who opted to receive the benefit in cash.

(ii) Provident fund administered through Regional Provident Fund Commissioner

All employees are entitled to Provident Fund benefits as per the law. For certain category of employees the Company administers the benefits through a recognised Provident Fund Trust. The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. For other employees contributions are made to the Regional Provident Fund Commissioners. The Government mandates the annual yield to be provided to the employees on their corpus. This plan is considered as a Defined Contribution Plan. For the first category of employees (covered by the Trust), the Company has an obligation to make good the shortfall, if any, between the yield on the investments of the trust and the yield mandated by the Government and these are considered as Defined Benefit Plans and are accounted for on the basis of an actuarial valuation.

33.2 Defined benefit plans

The Company sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by separate funds which are legally separate from the Company. These plans are:

(a) Gratuity

(b) Provident fund for certain category of employees administered through a recognised provident fund trust

(i) These plans typically expose the company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Interest Risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in value of the liability.

Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plans liability.

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(ii) The principal assumption used for the purpose of the actuarial valuation were as follows:

	As at March 31, 2022		As at March 31, 2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Discount Rate	7.16%	7.16%	6.69%	6.69%
Expected statutory interest rate	-	8.10%	-	8.50%
Salary increase	8.00%	-	7.00%	-
Retirement Age (years)	58	58	58	58
Mortality Rates	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)
Withdrawal rate				
Upto 30 years	20.00%	20.00%	20.00%	20.00%
31 to 44 years	7.00%	7.00%	7.00%	7.00%
Above 44 years	8.00%	8.00%	8.00%	8.00%

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. Actuarial valuations involve making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

(iii) Amounts recognised in statement of profit and loss in respect of these benefit plans are as follows:

	Year ended March 31, 2022		Year ended March 31, 2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Current Service cost	9.09	7.73	8.03	6.75
Interest expenses (net of expected return on plan assets)	0.30	-	1.07	-
	9.39	7.73	9.10	6.75

The current service cost and the net interest expenses for the year are included in Note 25 "Employee Benefits Expenses" under the head "Contribution to provident and other funds".

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(iv) Amounts recognised in Other Comprehensive Income:

	Year ended March 31, 2022		Year ended March 31, 2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Actuarial (gain)/ losses on plan assets	(0.31)	-	(5.84)	-
Actuarial (gain)/ losses arising from changes in financial assumptions	3.71	-	0.49	-
Actuarial (gain)/ losses arising from changes in experience adjustments	3.90	-	2.94	-
	7.30	**-**	**(2.41)**	**-**

(v) The amount included in balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

	As at March 31, 2022		As at March 31, 2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Present value of funded defined benefit obligation	107.45	155.50	98.72	158.91
Fair value of plan assets	95.88	157.64	94.20	157.71
Surplus/ (Deficit)	**(11.57)**	**2.14**	**(4.52)**	**(1.20)**
Effect of asset ceiling, if any	-	(2.14)	-	-
Net assets / (liability)	**(11.57)**	**-**	**(4.52)**	**(1.20)**

(vi) Movements in the present value of defined benefit obligation are as follows:

	Year ended March 31, 2022		Year ended March 31, 2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening defined benefit obligation	98.72	158.91	85.78	137.01
Current service cost	9.09	7.73	8.03	6.75
Interest cost	6.60	12.42	5.81	11.92
Actuarial (gain)/ losses arising from changes in financial assumptions	3.71	-	0.49	-
Actuarial (gain)/ losses arising from changes in experience adjustments	3.90	-	2.94	-
Benefits paid	(14.57)	(39.82)	(4.33)	(8.73)
Contribution by plan participants/ employees	-	12.72	-	10.83
Settlement/ transfer in	-	3.54	-	1.13
Closing defined benefit obligation	**107.45**	**155.50**	**98.72**	**158.91**

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(vii) Movements in the fair value of plan assets are as follows:

	Year ended March 31, 2022		Year ended March 31, 2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening fair value of plan assets	94.20	157.71	69.96	136.55
Return on plan assets (excluding amounts included in net interest expenses)	6.62	15.76	10.58	11.18
Contributions from employer	9.63	7.73	17.99	6.75
Contributions from plan participants	-	12.72	-	10.83
Benefits paid	(14.57)	(39.82)	(4.33)	(8.73)
Settlement/ transfer in	-	3.54	-	1.13
Closing fair value of plan assets	**95.88**	**157.64**	**94.20**	**157.71**

Gratuity:

Plan assets comprises primarily of investment in HDFC Group Unit Linked Plan fund and ICICI Prudential Life Fund. The average duration of the defined benefit obligation is 9.12 years (Previous year: 9.14 years). The Company expects to make a contribution of ₹ 10.58 Crores (Previous year: ₹ 8.76 Crores) to the defined benefit plans during the next financial year.

Provident fund:

The plan assets have been primarily invested in government securities and corporate bonds.

(viii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant.

	Year ended March 31, 2022		Year ended March 31, 2021	
	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Sensitivity analysis of Gratuity				
Discount rate	(3.54)	3.77	(3.00)	3.20
Expected salary growth	3.72	(3.53)	3.17	(3.01)
Sensitivity analysis of Provident Fund				
Discount rate	(0.01)	0.01	(0.01)	0.01

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33.3 Other long-term employee benefit

Amounts recognized in the statement of profit and loss in note 25 " Employee Benefits expense" under the head "Salaries and wages, including bonus" are as under:

	Year ended March 31, 2022	Year ended March 31, 2021
Long term retention pay (Refer to note (i) below)	-	-
Compensated absences	12.26	11.57
	12.26	**11.57**

(i) Long Term Retention Pay

The Company has a Long Term Retention Pay Plan which covers employees selected on the basis of their current band and their long term value to the Company. The incentive is payable in three year blocks subject to achievement of certain performance ratings. The Company also has a scheme for talent retention of certain identified employees under which an incentive is payable over a period of three years.

34 EMPLOYEE SHARE BASED PAYMENTS

The Company has an Employee Share Purchase Scheme (SRF Long Term Share Based Incentive Plan) to provide equity settled share based payments to eligible employees. The expenses related to the grant of shares under the Scheme are accounted for on the basis of fair value of the share on the grant date (which is the market price of the Company's share on the date of grant less exercise price). The fair value so determined is expensed on a straight line basis over the remaining tenure over which the employees renders their services.

The movement of number of equity shares granted, their fair value and the share based payment expense recognised during the year are as under:

	Year ended March 31, 2022	Year ended March 31, 2021
Number of equity shares:		
(i) At the beginnning of the year	60,000	60,000
(ii) Impact of bonus issue of shares (Refer to note 13.1)	240,000	-
(iii) Granted during the year *	195,000	-
(iv) Released during the year ^	(300,000)	-
(v) At the end of the year	195,000	60,000
Market price on the grant date (₹ per equity share)	2,126.05	-
Exercise price (₹ per equity share)	10.00	-
Fair value of share based payment (₹ per equity share)	2,116.05	-
Share based payment expense recognised during the year ^ #	28.61	0.98

* These shares have a lock in period upto November 30, 2022 and are pledged for a period upto October 31, 2026.

^ During the current year, the Nomination and Remuneration Committee based upon the recommendations of the management released 300,000 equity shares from pledge, resulting into immediate vesting of these shares. As a result, an additional amount of ₹ 6.72 Crores has been recognised in the statement of profit and loss.

Includes amount of ₹ 17.50 Crores (Previous year: Nil) towards witholding tax on equity shares granted under the above scheme.

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35 SEGMENT REPORTING

Based on the guiding principles laid down in Indian Accounting Standard (Ind AS) - 108 "Segment Reporting", the Chairman & Managing Director of the Company is the Chief Operating Decision Maker (CODM) and for the purposes of resource allocation and assessment of segment performance the business of the Company is segregated in the segments below:

- Technical Textiles business: includes nylon tyre cord fabric, belting fabric, polyester tyre cord fabric and industrial yarns and its research and development
- Chemicals business: includes refrigerant gases, industrial chemicals, speciality chemicals, fluorochemicals & allied products and its research and development.
- Packaging Film business: includes polyester films and polypropylene films.
- Others: includes coated fabric, laminated fabric and other ancilliary activities.

Segment revenue, results and capital employed include the respective amounts identifiable to each of the segments. Other unallocable expenditure includes expenses incurred on common services provided to the segments, which are not directly identifiable.

In addition to the significant accounting policies applicable to the business segments as set out in note 1 above, the accounting policies in relation to segment accounting are as under:

a) Segment revenue and expenses

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments. These amounts relate to continuing operations, unless otherwise stated. (Refer to note 40 with regard to information in relation to discontinued operations).

b) Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables, inventories and property plant and equipment and intangible assets, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities and do not include deferred income taxes. While most of the assets / liabilities can be directly attributed to individual segments, the carrying amount of certain assets / liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

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A. Information about operating business segments

	Year ended March 31, 2022	Year ended March 31, 2021
Segment revenue		
a) Technical textiles business (TTB)		
- External sales	2,073.33	1,231.41
- Inter-segment sales	11.91	8.70
Total	**2,085.24**	**1,240.11**
b) Chemicals business (CB)		
- External sales	5,212.26	3,636.85
- Inter-segment sales	-	-
Total	**5,212.26**	**3,636.85**
c) Packaging films business (PFB)		
- External sales	2,327.51	1,888.04
- Inter-segment sales	-	-
Total	**2,327.51**	**1,888.04**
d) Others		
- External sales	340.34	232.02
- Inter-segment sales	-	-
Total	**340.34**	**232.02**
Total segment revenue	**9,965.35**	**6,997.02**
Less: Inter segment revenue	11.91	8.70
Revenue from operations	**9,953.44**	**6,988.32**
Add: Unallocable income	135.31	63.30
Total revenue	**10,088.75**	**7,051.62**
Segment profits		
(Profit before interest and tax from each segment)		
a) Technical textiles business (TTB)	470.84	176.90
b) Chemicals business (CB)	1,397.35	730.11
c) Packaging films business (PFB)	482.72	567.79
d) Others	20.35	25.59
Total segment results	**2,371.26**	**1,500.39**
Less: i) Interest and finance charges	94.45	111.21
Less: ii) Other unallocable expenses net of income	121.77	79.21
Profit before tax	**2,155.04**	**1,309.97**

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	Year ended March 31, 2022	Year ended March 31, 2021
Capital expenditure		
a) Technical textiles business (TTB)	63.43	77.90
b) Chemicals business (CB)	1,292.68	618.66
c) Packaging films business (PFB)	416.20	20.46
d) Others	1.66	1.92
e) Unallocated	8.38	3.13
Total	**1,782.35**	**722.07**
Depreciation and amortisation		
a) Technical textiles business (TTB)	40.56	35.41
b) Chemicals business (CB)	303.59	273.09
c) Packaging films business (PFB)	54.72	54.13
d) Others	7.53	8.06
e) Unallocated	12.83	12.91
Total	**419.23**	**383.60**

Segment assets and liabilities

	As at March 31, 2022	As at March 31, 2021
Segment assets		
a) Technical textiles business (TTB)	1,830.61	1,594.08
b) Chemicals business (CB)	7,154.46	5,723.01
c) Packaging films business (PFB)	2,198.19	1,667.82
d) Others	174.94	171.97
Total	**11,358.20**	**9,156.88**
Unallocable assets	1,577.02	1,554.42
Assets classified as held for sale	3.00	-
Total assets	**12,938.22**	**10,711.30**
Segment liabilities		
a) Technical textiles business (TTB)	416.95	336.77
b) Chemicals business (CB)	938.85	707.94
c) Packaging films business (PFB)	390.99	338.22
d) Others	37.02	32.85
Total	**1,783.81**	**1,415.78**
Unallocable liabilities	3,529.61	3,000.25
Total liabilities	**5,313.42**	**4,416.03**

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B. Information about geographical business segments

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations		
- India	5,116.93	3,581.87
- Germany	382.97	466.31
- USA	1,399.61	477.13
- Belgium	528.32	635.51
- Switzerland	827.37	687.75
- Others	1,698.24	1,139.75
	9,953.44	**6,988.32**

	As at March 31, 2022	As at March 31, 2021
Non current segment assets		
- Within India	7,938.50	6,505.08
- Outside India	-	-
	7,938.50	**6,505.08**

Non-current segment assets includes property, plant and equipments, right-of-use assets, capital work in progress, intangible assets, goodwill and other non current assets.

During the year ended March 31, 2022 no customer contributed more than 10% to the Company's revenue (Previous year: one customer contributed 10.71% to the Company's revenue).

Revenue from major products	Year ended March 31, 2022	Year ended March 31, 2021
a) Technical textiles business (TTB)		
Nylon tyre cord fabric/ Polyester tyre cord fabric/ Belting fabric	1,880.90	1,122.94
Synthetic filament yarn including industrial yarn/ Twine	165.78	97.21
Others	5.16	0.62
b) Chemicals business (CB)		
Speciality chemicals	3,100.32	2,389.39
Fluorochemicals, Refrigerant gases and Allied products	1,695.53	885.95
Industrial chemicals	350.65	311.00
Others	0.01	0.75
c) Packaging films business (PFB)		
Packaging films	2,301.59	1,853.37
d) Others		
Laminated fabric, Coated fabric and other ancilliary activities	336.61	226.26
	9,836.55	**6,887.49**

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36 EARNINGS PER SHARE (EPS)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit attributable to the equity holders of the Company used in calculating basic earning per share and diluted earning per share	1,507.01	925.06
Weighted average number of equity shares for the purpose of calculating basic and diluted earnings per share (numbers)	296,306,696	295,263,898
Basic and diluted earnings per share of face value ₹ 10 each	50.86	31.33

Note:

During the current year, the Company has issued and allotted 236,980,820 fully paid up Bonus Equity shares of ₹ 10 each in the ratio of 4:1 (i.e. 4 Bonus Equity shares for every 1 existing equity share of the Company) to the shareholders who held shares on October 14, 2021 (Record date). Accordingly, basic and diluted earnings per share has been calculated based on the weighted average number of shares outstanding in the current and previous year, as adjusted by issuance of bonus shares.

37 LEASES

The Company leases various types of assets including land, buildings and plant and equipment. Information about leases for which the Company is a lessee is presented below.

Right-of-use assets	Land *	Buildings	Plant and equipment	Total
Cost				
Balance at March 31, 2020	**148.04**	**44.98**	**50.63**	**243.65**
Additions / adjustments	3.25	2.13	1.86	7.24
Disposals	-	(0.86)	(2.60)	(3.46)
Balance at March 31, 2021	**151.29**	**46.25**	**49.89**	**247.43**
Additions / adjustments	4.88	(0.45)	58.59	63.02
Disposals	-	-	(8.20)	(8.20)
Balance at March 31, 2022	**156.17**	**45.80**	**100.28**	**302.25**
Accumulated amortisation				
Balance at March 31, 2020	**0.87**	**6.76**	**8.44**	**16.07**
Depreciation expenses	1.68	7.07	9.31	18.06
Disposals	-	(0.86)	(2.60)	(3.46)
Balance at March 31, 2021	**2.55**	**12.97**	**15.15**	**30.67**
Depreciation expenses	1.74	6.59	16.10	24.43
Disposals	-	-	(8.20)	(8.20)
Balance at March 31, 2022	**4.29**	**19.56**	**23.05**	**46.90**

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Right-of-use assets	Land *	Buildings	Plant and equipment	Total
Carrying Amount				
Balance at March 31, 2020	**147.17**	**38.22**	**42.19**	**227.58**
Additions / adjustments	3.25	2.13	1.86	7.24
Disposals	-	-	-	-
Depreciation expenses	(1.68)	(7.07)	(9.31)	(18.06)
Balance at March 31, 2021	**148.74**	**33.28**	**34.74**	**216.76**
Additions / adjustments	4.88	(0.45)	58.59	63.02
Disposals	-	-	-	-
Depreciation expenses	(1.74)	(6.59)	(16.10)	(24.43)
Balance at March 31, 2022	**151.88**	**26.24**	**77.23**	**255.35**

* Refer note 41(g)(ii)

Lease liabilities included in the Balance Sheet	As at March 31, 2022	As at March 31, 2021
Current	20.66	13.80
Non-current	95.18	63.83

The average incremental borrowing rate applied to lease liabilities during the year ranges from 6.40% to 7.00% (Previous year: ranges from 6.50% to 8.00%)

Amounts recognised in Statement of Profit and Loss	Year ended March 31, 2022	Year ended March 31, 2021
Interest on lease liabilities	8.69	6.49
Depreciation expense	24.43	18.06
Expenses relating to short-term leases and leases of low-value assets (Refer note 28)	27.54	15.62

Amounts recognised in Cash Flow Statement	Year ended March 31, 2022	Year ended March 31, 2021
Total cash outflow for leases	25.68	20.19

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38 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

38.1 Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern and provide reasonable return to the shareholders by maintaining a reasonable balance between debt and equity. The capital structure of the Company consists of net debt (borrowings net of cash and cash equivalents, deposit accounts with maturity beyond three months upto twelve months and current investments) and total equity of the Company. The Company is not subject to any externally imposed capital requirements. The Company's management reviews the capital structure of the Company on periodic basis. As part of its review, the management considers the cost of capital and risk associated with each class of capital. The Company also evaluates its gearing measures using Debt Equity Ratio to arrive at an appropriate level of debt and accordingly evolves its capital structure.

The following table provides the details of the debt and equity at the end of the reporting periods :

	As at March 31, 2022	As at March 31, 2021
Debt and lease liabilities	2,890.74	2,652.71
Less:		
Cash and cash equivalents	319.64	86.72
Deposit accounts with maturity beyond three months upto twelve months	0.20	135.19
Current investments	316.74	412.52
Net debt	**2,254.16**	**2,018.28**
Total equity	**7,624.80**	**6,295.27**
Net debt to equity ratio	**0.30**	**0.32**

38.2 Financial instruments by category

Financial assets	Level of hierarchy	Notes	Carrying value		Fair value	
			As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Measured at amortised cost						
Trade Receivables		a	1,350.99	1,012.00	1,350.99	1,012.00
Cash and cash equivalents		a	319.64	86.72	319.64	86.72
Bank balances other than above		a	8.87	143.71	8.87	143.71
Loans		a,b	588.47	666.28	588.47	666.28
Other financial assets		a,b	238.71	180.00	238.71	180.00
			2,506.68	**2,088.71**	**2,506.68**	**2,088.71**

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Financial assets	Level of hierarchy	Notes	Carrying value		Fair value	
			As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Measured at Fair value through profit and loss						
Investments in mutual funds and bonds / debentures	2	d	316.74	412.52	316.74	412.52
Derivative instruments	2	d	3.64	4.39	3.64	4.39
			320.38	**416.91**	**320.38**	**416.91**
Measured at Fair value through Other comprehensive income						
Investments in unquoted equity instruments	3	d	4.16	4.16	4.16	4.16
Derivative instruments	2	d	124.69	75.76	124.69	75.76
			128.85	**79.92**	**128.85**	**79.92**

Financial liabilities	Level of hierarchy	Notes	Carrying value		Fair value	
			As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Measured at amortised cost						
Borrowings		a,c	2,774.90	2,184.49	2,774.90	2,184.49
Trade payables		a	1,340.37	1,196.49	1,340.37	1,196.49
Other financial liabilities		a	301.68	499.66	301.68	499.66
			4,416.95	**3,880.64**	**4,416.95**	**3,880.64**
Measured at Fair value through profit and loss						
Derivative instruments	2	d	-	-	-	-
			-	**-**	**-**	**-**
Measured at Fair value through Other comprehensive income						
Derivative instruments	2	d	-	0.54	-	0.54
			-	**0.54**	**-**	**0.54**

The following methods/ assumptions were used to estimate the fair values:

(a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(b) Fair valuation of non-current financial assets has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.

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(c) The fair value of other long-term borrowings is estimated by discounting future cash flows using current rates (applicable to instruments with similar terms, currency, credit risk and remaining maturities) to discount the future payouts.

(d) The fair value is determined by using the valuation model/ technique with observable/ non-observable inputs and assumptions.

(e) Investment value excludes investment in subsidiaries which are shown at cost in balance sheet as per Ind AS 27 "Separate financial statements".

There are no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2022 and March 31, 2021.

Level 1:
Quoted prices in the active market: This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market.

Level 2:
Valuation techniques with significant observable inputs: This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of over the counter (OTC) derivative contracts, open ended mutual funds, bonds and debentures.

Level 3:
Valuation techniques with significant unobservable inputs: This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value is determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are unquoted equity instruments.

The fair value of the financial instruments are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

(i) Investments in mutual funds and bonds / debentures: Fair value is determined by reference to quotes from the financial institutions.

(ii) Derivative contracts: The Company has entered into various foreign currency contracts and interest rate swaps contracts to manage its exposure to fluctuations in foreign exchange rates and interest rate respectively. These financial exposures are managed in accordance with the Company's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data, i.e., mark to market values determined by the authorized dealers banks and forward exchange rates at the balance sheet date.

(iii) Unquoted equity investments: Fair value is determined based on the recoverable value as per agreement with the investee.

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Reconciliation of Level 3 fair value measurements	Unlisted equity instruments	Financial Guarantee Contracts
As at March 31, 2020	**4.16**	**-**
Purchase of investment	-	-
As at March 31, 2021	**4.16**	**-**
Purchase of investment	-	-
As at March 31, 2022	**4.16**	**-**

Sensitivity of the fair value measurement to changes in unobservable inputs for financial instruments in Level 3 level of hierarchy is insignificant.

38.3 Financial Risk Management

The Company is exposed to various financial risks arising from its underlying operations and finance activities. The Company is primarily exposed to market risk (i.e. interest rate and foreign currency risk) and to credit risk and liquidity risk. The Company's Corporate Treasury function plays the role of monitoring financial risk arising from business operations and financing activities.

Financial risk management within the Company is governed by policies and guidelines approved by the senior management and the Board of Directors. These policies and guidelines cover interest rate risk, foreign currency risk, credit risk and liquidity risk. Company policies and guidelines also cover areas such as cash management, investment of excess funds and the raising of short and long-term debt. Compliance with the policies and guidelines is managed by the Corporate Treasury function within the Company. Review of the financial risk is done on a monthly basis by the Managing Director and on a quarterly basis by the Board of Directors. The objective of financial risk management is to contain, where deemed appropriate, exposures on net basis to the various types of financial risks mentioned above in order to limit any negative impact on the Company's results and financial position.

In accordance with its financial risk management policies, the Company manages its market risk exposures by using specific type of financial instruments duly approved by the Board of Directors as and when deemed appropriate. It is the Company's policy and practice neither to enter into derivative transactions for speculative purpose, nor for any purpose unrelated to the underlying business. The Board of Directors / Managing Director reviews and approves policies for managing each of the above risks.

38.3.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and foreign currency risk. Financial instruments affected by market risk includes loans and borrowings, deposits, investments and derivative financial instruments. The Company enters into derivative contracts as approved by the Board to manage its exposure to interest rate risk and foreign currency risk.

A. Foreign Currency Risk Management

Foreign currency risk also known as Exchange Currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Foreign currency risk in the Company is attributable to Company's operating activities, investing activities and financing activities.

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In the operating activities, the Company's exchange rate risk primarily arises when revenue / costs are generated in a currency that is different from the reporting currency (transaction risk). In compliance with the Board approved policy, the Company manages the net exposure on a rolling 12 month basis and for exposures between 12 to 36 months, hedging is done based on specific exposure. The information is monitored by the Audit committee and the Board of Directors on a quarterly basis. This foreign currency risk exposure of the Company are mainly in U.S. Dollar (USD), Euro (EUR), Japanese Yen (JPY) and British Pound Sterling (GBP). The Company's exposure to foreign currency changes for all other currencies is not material.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in ₹ are as follows:

	Assets		Liabilities	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD	870.29	729.29	2,205.38	1,903.09
EUR	282.87	257.67	547.26	512.07
JPY	-	-	6.33	9.95
GBP	6.73	3.15	0.01	13.12

Foreign currency sensitivity analysis

The Company is mainly exposed to changes in USD, EUR, JPY and GBP exchange rates.

The following table details the Company's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for 1% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

	Year ended March 31, 2022		Year ended March 31, 2021	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on profit / (loss) *				
USD	4.58	(4.58)	6.10	(6.10)
EUR	(1.11)	1.11	(2.52)	2.52
JPY	0.06	(0.06)	0.10	(0.10)
GBP	(0.07)	0.07	0.10	(0.10)
Impact on equity (Other Comprehensive Income)				
USD	8.62	(8.62)	5.49	(5.49)
EUR	3.75	(3.75)	5.08	(5.08)

* Includes sensitivity on long-term foreign currency monetary items on which Para D13 AA of Ind AS 101 has been applied. Accordingly, the exchange loss/ (gain) arising on long term foreign currency monetary items relating to acquisition of depreciable assets will be added to/ deleted from the cost of such assets/ capital work in progress and will be depreciated over the balance useful life of assets.

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Foreign exchange derivative and non-derivative financial instruments
The Company uses derivative as well as non-derivative financial instruments for hedging financial risks that arise from its commercial business or financing activities. The Company's Corporate Treasury team manages its foreign currency risk by hedging transactions that are expected to occur within of 1 to 36 months for hedges of forecasted sales, purchases, loans and liabilities and capital expenditures. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

Outstanding Contracts*	No of Deals		Contract Value of Foreign Currency (In Millions)		Maturity: Up to 12 months Nominal Amount*(₹ Crores)		Maturity: More than 12 months Nominal Amount* (₹ Crores)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD / INR Sell forward	362	264	735.50	513.25	2,821.04	2,029.40	3,095.66	1,998.63
EUR / INR Sell forward	1	17	20.00	40.50	-	181.53	202.77	202.77

* Computed using average forward contract rates

The following table details the Company's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding forward exchange contracts as tabulated above and adjusts their translation at the period end for 1% change in forward rates. A positive number below indicates an increase in profit before tax or vice-versa.

	Year ended March 31, 2022		Year ended March 31, 2021	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on profit / (loss) for the year				
USD	1.83	(1.83)	1.76	(1.76)
EUR	-	-	0.34	(0.34)
Impact on equity (Other Comprehensive Income)				
USD	56.31	(56.31)	37.82	(37.82)
EUR	1.81	(1.81)	3.40	(3.40)

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B. Interest Rate Risk Management
Interest rate risk arises from movements in interest rates which could have effects on the Company's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a portfolio of fixed and variable rate loans and borrowings. The Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts, calculated by reference to an agreed principal amount outstanding at the time of inception of the swap. Out of the total long term borrowings, the amount of fixed interest loan is ₹ 938.35 Crores and floating interest loan is ₹ 916.26 Crores (Previous year: Fixed interest loan ₹ 898.59 Crores and Floating interest loan ₹ 917.02 Crores).

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate long term borrowings, as follows:

	Year ended March 31, 2022		Year ended March 31, 2021	
	₹ loans interest rate decreases by 0.50 %	Foreign currency loans interest rate decreases by 0.15 %	₹ loans interest rate decreases by 0.50 %	Foreign currency loans interest rate decreases by 0.15 %
Increase in profit before tax by	1.29	0.99	2.85	0.52

In case of increase in interest rate by above mentioned percentage, there would be a comparable negative impact on the profit before tax as mentioned above.

Managing interest rate benchmark reform and associated risks
A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Company has exposures to USD-LIBOR and EUR-IBOR on its financial instruments. The Company has renegotiated all working capital facilities agreements and have moved to new benchmarks, wherever IBOR reforms had mandated.

As per the IBOR reform regulations, USD LIBOR based contracts entered into on or before December 31, 2021 are allowed to continue utilising the facility until the maturity date, provided such date is before June 30, 2023. The Company has certain loans which falls under this category and accordingly, the management has taken a decision to continue on 1 Month / 3 Months / 6 Months LIBOR. All the EUR denominated long term loans of the Company are linked to EURIBOR and thus not impacted by IBOR reforms.

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The Company has two loans (USD-LIBOR benchmark linked) which are maturing after June 2023 and the management has planned to migrate these loans to SOFR (secured overnight financing rate) benchmark prior to June 2023, along with IRS contract, if any. The management does not envisage any significant impact on the financial statements due to the migration.

Interest Rate Swap Contracts

Under interest rate swap (IRS) contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on the agreed notional principal amounts. Such contracts enables the Company to mitigate the risk of changing interest rates.

The following table details the IRS contracts outstanding at the end of the reporting period:

Outstanding Contracts*	No of Deals		Contract Value of Foreign Currency (In Millions)		Maturity: Up to 12 months Nominal Amount* (₹ Crores)		Maturity: More than 12 months Nominal Amount* (₹ Crores)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
IRS Contracts*	4	4	20.28	31.05	90.76	85.49	62.79	141.68

* Sensitivity on the above IRS contracts in respect of interest rate exposure is insignificant

Each of the above trades are in the nature of cash flow hedges and are effective hedges. The mark to market on these trades is therefore routed through Cash flow Hedge Reserve. The interest rate swap and the interest payments on the loan are paid simultaneously and are charged off to the statement of profit and loss.

C. Hedge accounting

Cash flow hedges

The amounts at the reporting date relating to the item designed as hedge items are as follows:

Hedging instruments	As at March 31, 2022: Nominal amount	Carrying amount Assets / (liabilities)	Line item where the hedging instrument is included	Year ended March 31, 2022: Change in the value of the hedging instrument recognised in OCI	As at March 31, 2021: Nominal amount	Carrying amount Assets / (liabilities)	Line item where the hedging instrument is included	Year ended March 31, 2021: Change in the value of the hedging instrument recognised in OCI
Foreign exchange contracts	5,932.96	121.17	Other financial assets (current and non - current)	46.42	4,197.13	74.75	Other financial assets (current and non - current)	140.37
Foreign currency denominated loans	1,236.86	(1,236.86)	Borrowings (current and non - current)	8.20	1,055.91	(1,055.91)	Borrowings (current and non - current)	(1.27)

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Hedging instruments	As at March 31, 2022: Nominal amount	Carrying amount Assets / (liabilities)	Line item where the hedging instrument is included	Year ended March 31, 2022: Change in the value of the hedging instrument recognised in OCI	As at March 31, 2021: Nominal amount	Carrying amount Assets / (liabilities)	Line item where the hedging instrument is included	Year ended March 31, 2021: Change in the value of the hedging instrument recognised in OCI
Interest rate swap contacts	153.55	3.52	Other financial assets (current and non - current)	2.51	227.17	1.01	Other financial assets (current and non - current)	1.01
		-	Other financial liabilities (current and non - current)	0.54		(0.54)	Other financial liabilities (current and non - current)	1.88

Fair Value hedges

The amounts at the reporting date relating to the item designed as hedge items are as follows:

Hedging instruments	As at March 31, 2022: Nominal amount	Carrying amount Assets / (liabilities)	Line item where the hedging instrument is included	Year ended March 31, 2022: Change in the value of the hedging instrument recognised in statement of profit and loss	As at March 31, 2021: Nominal amount	Carrying amount Assets / (liabilities)	Line item where the hedging instrument is included	Year ended March 31, 2021: Change in the value of the hedging instrument recognised in statement of profit and loss
Foreign exchange contracts	186.51	3.64	Other financial assets (current and non - current)	(0.74)	215.21	4.39	Other financial assets (current and non - current)	4.44

Movement of cash flow hedging reserve and cost of hedging reserve

Particulars	Cash flow hedging reserve: As at March 31, 2022	Cash flow hedging reserve: As at March 31, 2021	Cost of hedging reserve: As at March 31, 2022	Cost of hedging reserve: As at March 31, 2021
Opening Balance	**7.53**	**(78.56)**	**0.62**	**-**
Changes in the spot element of the forward contracts which is designated as hedging instruments for time period related hedge	(3.12)	7.04	-	-

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Particulars	Cash flow hedging reserve		Cost of hedging reserve	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Changes in the forward element of the forward contracts where changes in spot element of forward contract is designated as hedging instruments for time period related hedges	-	-	20.83	3.87
Changes in fair value of forward contracts designated as hedging instruments	28.77	130.71	-	-
Changes in fair value of interest rate swaps	3.05	2.89	-	-
Amount reclassified to Profit or Loss (Foreign exchange (gain) / loss)	16.54	3.12	(19.35)	(2.92)
Amount arising from remeasurement of financial liability	(5.25)	(11.43)	-	-
Taxes related to above	(13.03)	(46.24)	(0.45)	(0.33)
Closing Balance	**34.49**	**7.53**	**1.65**	**0.62**

38.3.2 Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables, loans and other financial assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with counterparties who meet the parameters specified in Investment Policy of the Company. The investment policy is reviewed by the Company's Board of Directors on an annual basis and if required, the same may be updated during the year. The investment policy specifies the limits of investment in various categories of products so as the minimize the concentration of risks and therefore mitigate financial loss due to counterparty's potential failure.

Expected credit loss on financial assets:

To manage credit risk for trade receivables, the Company establishes credit approvals and credit limits, periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables.

With regard to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties, from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for excepted credit loss has been provided on these financial assets other than as detailed below.

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Loss allowance for the following financial assets have been recognised by the Company:

	Note No.	As at March 31, 2022	As at March 31, 2021
Loans - current	6	2.74	2.74
Trade receivables	10	2.28	3.96
		5.02	**6.70**

Movement of loss allowance :

	Loans (current and non current)	Trade receivables
As at March 31, 2020	**2.74**	**2.46**
Provided during the year	0.24	11.82
Reversed / utilised during the year	(0.24)	(10.32)
As at March 31, 2021	**2.74**	**3.96**
Provided during the year	0.17	0.59
Reversed / utilised during the year	(0.17)	(2.27)
As at March 31, 2022	**2.74**	**2.28**

Other than financial assets mentioned above, none of the Company's financial assets are impaired, as there are no indications that defaults in payments obligation would occur.

38.3.3 Liquidity Risk Management

Liquidity risk is the risk of non-availability of financial facilities available to the Company to meet its financial obligations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of money market instruments, bank overdrafts, bank loans, debentures and other types of facilities. The liquidity management is governed by the Board approved liquidity management policy. Any deviation from the policy has to be approved by the Treasury Management comprising of Managing Director, Chief Financial Officer and Treasury Head. The Company assesses the concentration of risk with respect to refinancing its debt, guarantee given and funding of its capital expenditure needs of the future. The Company manages its liquidity by holding appropriate volumes of liquid assets which are available for its disposal on T +1 basis and by maintaining open credit lines with banks / financial institutions.

The table below analyze the Company's financial liabilities into relevant maturity profiles based on their contractual maturities:

	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2022				
Borrowings*	1,613.26	1,211.71	-	2,824.97
Lease Liabilities**	28.63	84.50	59.52	172.65
Trade payables	1,340.37	-	-	1,340.37
Other financial liabilities	148.15	153.53	-	301.68
	3,130.41	**1,449.74**	**59.52**	**4,639.67**

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	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2021				
Borrowings*	1,198.91	1,466.63	-	2,665.54
Lease Liabilities**	19.30	53.85	53.68	126.83
Trade payables	1,196.49	-	-	1,196.49
Other financial liabilities	109.08	0.54	-	109.62
	2,523.78	**1,521.02**	**53.68**	**4,098.48**

* Includes current maturity of non-current borrowings and future cash outflow towards estimated interest on non-current borrowings

** Includes future cash outflow towards estimated interest on lease liabilities.

39 Contract balances

The following table provides information about contract liabilities from contracts with customers:

Contract liability	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance	13.53	10.75
Revenue recognised that was included in the contract liability balance at the beginning of the period	(13.53)	(10.75)
Increase due to cash received, excluding the amount recognised as revenue during the period	23.85	13.53
	23.85	**13.53**

40 Assets held for sale

(a) Description:

During the current year, the management has decided to dispose off inoperative assets related to Industrial Yarn Unit. Accordingly, these assets have been classified as assets held for sale in terms of Ind AS 105-"Non-current assets held for sale and discontinued operations" and recognised at their estimated fair value. Till previous year, these assets were reported under "Technical textiles business segment" in accordance with the requirements of Ind AS 108 – "Operating Segments" in the financial statements.

(b) Assets classified as held for sale:

	As at March 31, 2022	As at March 31, 2021
Property, plant and equipment	3.00	-

(c) Loss recognised on:

	Year ended March 31, 2022	Year ended March 31, 2021
(i) Impairment of goodwill	0.62	-
(ii) Fair value of assets classified as held for sale	5.75	-

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41 ADDITIONAL DISCLOSURES

(a) RESEARCH AND DEVELOPMENT EXPENDITURE

The details of research and development expenditure of ₹ 116.99 Crores (Previous year: ₹ 110.50 Crores) included in these financial statements are as under:

	Year ended March 31, 2022	Year ended March 31, 2021
Capital expenditure	8.49	13.46
Revenue expenditure	108.50	97.04
	116.99	**110.50**

The details of revenue expenditure incurred on research and development is as below:

	Year ended March 31, 2022	Year ended March 31, 2021
Cost of material consumed	1.68	2.73
Salaries and wages, including bonus	49.11	42.97
Contribution to provident and other funds	2.92	2.61
Workmen and staff welfare expenses	3.37	2.72
Stores and spares consumed	4.94	6.11
Power and fuel	7.94	4.84
Rent	0.26	-
Repairs and maintenance		
- Buildings	-	-
- Plant and machinery	10.63	8.32
- Others	0.85	0.58
Insurance	1.02	0.96
Rates and taxes	0.06	0.07
Travelling and conveyance	0.51	0.16
Legal and professional charges	4.12	3.58
Depreciation and amortisation expense	16.65	18.33
Interest cost	0.05	0.28
Miscellaneous expenses	4.39	2.78
	108.50	**97.04**

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(b) MANAGERIAL REMUNERATION

	Year ended March 31, 2022	Year ended March 31, 2021
(i) (a) Remuneration to Chairman/ Managing Director/ Deputy Managing Director/ Whole time Director		
Salary and contribution to provident and other funds	16.39	12.04
Value of perquisites	2.58	2.36
Commission	18.00	12.00
SUB-TOTAL	**36.97**	**26.40**
(b) Remuneration to Non Executive Directors		
Commission	0.90	0.84
Directors' sitting fees	0.29	0.27
Other fees	0.06	0.14
SUB-TOTAL	**1.25**	**1.25**
TOTAL	**38.22**	**27.65**

ii) Computation of managerial remuneration in accordance with section 197 of the Companies Act, 2013

	Year ended March 31, 2022	Year ended March 31, 2021
Profit before taxation	2,155.04	1,309.97
Add:		
Managerial remuneration including commission	38.22	27.65
Loss/ write off of fixed assets as per accounts	10.73	1.37
Provision for doubtful debts/ advances/ investments	(1.68)	1.44
Sub Total	**47.27**	**30.46**
Less:		
Profit on sale of fixed assets as per accounts	3.09	0.39
Net Gain on financial assets measured at FVTPL	7.06	25.45
Excess Provision written back	2.59	11.42
Sub Total	**12.74**	**37.26**

Notes to the standalone financial statements
for the year ended March 31, 2022
(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit as per section 197 of the Companies Act, 2013	**2,189.57**	**1,303.17**
Maximum remuneration as commission and/ or salary including perquisites @ 10% of net profit of ₹ 2,189.57 Crores (Previous year: ₹ 1,303.17 Crores) which can be paid to Managing Directors/ Whole time Directors under section 197 of the 2013 Act	218.96	130.32
Remuneration paid/ payable to Managing Directors / Whole Time Directors	**36.97**	**26.40**
Maximum remuneration payable to Non-Executive Directors @ 1% of net profit of ₹ 2,189.57 Crores (Previous year: ₹ 1,303.17 Crores) under section 197 of the 2013 Act	21.90	13.03
Remuneration paid/ payable to Non-Executive Directors	**1.25**	**1.25**

(c) The Company has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items as described in Para D13 AA of Ind AS 101. Accordingly, exchange loss/ (gain) arising on all long term monetary items financed or re-financed on or before March 31, 2016 relating to acquisition of following depreciable assets are added to/ adjusted from the cost of such assets/ capital work in progress and will be depreciated over the balance useful life of such assets.

Exchange loss/ (gain) added/ (adjusted)	Year ended March 31, 2022	Year ended March 31, 2021
Property, plant and equipment		
- Plant and equipment	5.90	(8.60)
	5.90	**(8.60)**

The cumulative exchange loss/ (gain) added/ (adjusted) and remaining unamortised as at March 31, 2022 is ₹ 122.66 Crores (Previous year: ₹ 130.49 Crores).

(d) Disclosures pursuant to section 186(4) of the Companies Act, 2013 and regulation 34(3) and 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as applicable:

(i) Details of guarantees:

Nature of Guarantees	Purpose
Refer note 31 (c) above	To secure the financial facilities sanctioned to subsidiaries by banks and other companies.

(ii) Details of investments:

Nature of Investments	Purpose
Refer note 5.1 above	Investment in wholly owned subsidiaries.

Notes to the standalone financial statements
for the year ended March 31, 2022
(All amounts in ₹ Crores, unless otherwise stated)

(iii) Details of unsecured loans given:

Particulars of loans	Terms	As at March 31, 2022	As at March 31, 2021
SRF Global BV (denominated in USD) - given for repayment of existing borrowings and general corporate purpose	Principal amount repayable from March 2023 to March 2025 (Previous year: December 2021 to March 2023). Interest on a fixed rate basis, payable annually. The effective yield is in compliance with Section 186 of the Companies Act, 2013.		
As at the beginning of the year		438.90	-
Given during the year		227.45	439.45
Received back during the year		(274.66)	-
Foreign currency exchange fluctuation gain / (loss)		5.89	(0.55)
As at end of the year		397.58	438.90
Maximum balance outstanding		611.97	439.45
SRF Global BV (denominated in EUR) - given for prepayment of existing borrowings	Principal amount repayable in June 2023. Interest on a fixed rate basis, payable annually. The effective yield is in compliance with Section 186 of the Companies Act, 2013.		
As at the beginning of the year		171.55	-
Given during the year		-	178.03
Foreign currency exchange fluctuation gain / (loss)		(3.41)	(6.48)
As at end of the year		168.14	171.55
Maximum balance outstanding		171.55	178.03
SRF Altech Limited (denominated in INR) - given for incorporation expenses	Repayabe on demand. Interest payable within 60 days from the end of calender quarter at 5% per annum.		
As at the beginning of the year		-	-
Given during the year		2.75	-
Received back during the year		(2.75)	-
As at end of the year		-	-
Maximum balance outstanding		2.75	-

Notes to the standalone financial statements
for the year ended March 31, 2022
(All amounts in ₹ Crores, unless otherwise stated)

(e) The Company has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation under section 92D for its international transactions as well as specified domestic transactions. Based on the transfer pricing regulations/ policy, the transfer pricing study for the year ended March 31, 2022 is to be conducted on or before due date of the filing of return and the Company will further update above information and records based on the same and expects these to be in existence latest by that date. Management believes that all the above transactions are at arm's length price and the aforesaid legislations will not have impact on the financial statement, particularly on the amount of tax expense and provision for taxation.

(f) Disclosure on corporate social responsibility expense:

		Year ended March 31, 2022	Year ended March 31, 2021
(i)	Amount required to be spent by the company during the year	18.61	12.88
(ii)	Amount of expenditure incurred	19.06 *	10.18
(iii)	Shortfall at the end of the year	-	2.70 ^
(iv)	Total of previous years shortfall	-	-
(v)	Reason of shortfall	-	Pertains to ongoing projects
(vi)	Nature of CSR activities	School education, disaster management, environmental projects, Covid 19 Relief, Vocational skill and livelihoods projects and promotion of art and cultural projects.	
(vii)	Details of related party transactions	21.38	9.18
(viii)	Provision made with respect to a liability incurred by entering into a contractual obligation	-	-

^ Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the unspent amount was subsequently deposited in a "Unspent CSR Account" and also utilised during the year ended March 31, 2022.

* This includes ₹ 18.68 Crores pertaining to current year and ₹ 0.37 Crore pertaining to previous year. In accordance with the above amended rules, the Company had taken credit for ₹ 0.37 Crore for excess CSR expenditure incurred during financial year 2019-20 and adjusted the same towards the CSR obligation for financial year 2020-21. However, the Ministry of Corporate Affairs (MCA), through its circular dated August 25, 2021, clarified that the companies cannot set off excess CSR amount spent prior to financial year 2020-21. Accordingly, an amount of ₹ 0.37 crore has been transferred to one of the specified funds prescribed under Schedule VII to the Companies Act, 2013 before September 30, 2021.

Notes to the standalone financial statements
for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(g) OTHER STATUTORY INFORMATION

(i) Analytical ratios:

		Year ended March 31, 2022	Year ended March 31, 2021	% change	Reason for change, wherever more than 25%
(i)	Current ratio (Total current assets / Total current liabilities)	1.35	1.43	(5.57)%	Not applicable
(ii)	Debt-equity ratio (Total debt including lease liabilities / Total equity)	0.38	0.42	10.03%	Not applicable
(iii)	Debt service coverage ratio [(Earnings before depreciation, interest and tax - current tax) / (Gross interest and lease payments + scheduled principal repayment of long term debts)]	4.06	1.70	138.32%	Better operating margins resulting in higher cash flows, lower cost of borrowing, and lower scheduled principal repayment of long term debts.
(iv)	Return on equity ratio (Profit after tax / Average equity)	21.65%	16.85%	28.50%	Increase in PAT by 62.91% from ₹ 925.06 Crores to ₹ 1507.01 Crores.
(v)	Inventory turnover ratio (Sale of products / Average inventory)	6.48	5.75	12.70%	Not applicable
(vi)	Trade receivables turnover ratio (Sale of products / Average trade receivables)	8.33	7.74	7.63%	Not applicable
(vii)	Trade payables turnover ratio (Purchases of raw materials / Average trade payables)	3.95	3.17	(24.65)%	Not applicable
(viii)	Net capital turnover ratio (Sale of products / Working capital)	8.82	6.30	39.97%	Increase in sales turnover.
(ix)	Net profit ratio (Profit after tax / Total revenue from operations including other operating income)	15.14%	13.24%	14.38%	Not applicable
(x)	Return on capital employed [Earnings before interest and tax / (Total equity - other intangible assets - goodwill + total debt + deferred tax liability)]	20.41%	15.51%	31.62%	Higher earnings before interest and tax by 58.28% and capital employed increase by 20.26%.
(xi)	Return on investment * (Income generated from investments / Weighted average investments)	6.09%	5.41%	12.57%	Not applicable

* Mutual funds, bonds and debentures are considered for the purpose of computing return on investment.

Notes to the standalone financial statements
for the year ended March 31, 2022
(All amounts in ₹ Crores, unless otherwise stated)

(ii) Details of title deeds of immovable property not held in name of the Company:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
Right-of-use assets	Land at Bharuch, Dahej, Gujarat	₹ 109.29 Crores (carrying amount)	Gujarat Industrial Development Corporation (GIDC) at Dahej, Gujarat	No	From June 2009 onwards (by multiple allotment orders)	The execution of lease deed of land in respect of 1,165,437 square meters of leasehold land already alloted (out of a total of 1,181,776 square meters) to the Company is pending. As a process agreed with GIDC, the same will be executed once the entire / substantial portion of the above piece of land is allotted / handed over to the Company.

(iii) The Company does not have any transactions with companies which are struck off, except the following:

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at March 31, 2022	Balance outstanding as at March 31, 2021	Relationship with the struck off company, if any
Jyotsna Engineers & Consultants Private Limited	Receivables	^	^	Vendor
Krishna Freeze Private Limited	Payables	0.01	0.01	Customer
Perfect Refcon & Tools Private Limited	Payables	0.01	0.01	Customer

^ Amount in absolute ₹ 2,000 (Previous year: ₹ 2,000)

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(iv) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(v) The Company is not declared a wilful defaulter by any bank or financial institution or any other lender.

(vi) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(vii) The company has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

(viii) There are no funds which have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ix) There are no funds which have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

a) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(x) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(xi) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(h) The figures for the previous year have been regrouped wherever necessary to comply with amendments in Schedule III of the Companies Act, 2013.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration no.
101248W / W-100022

For and on behalf of the Board of Directors

Kaushal Kishore
Partner
Membership No.: 090075
Place : Gurugram
Date : May 27, 2022

Ashish Bharat Ram
Chairman and Managing Director
DIN - 00671567
Place : Gurugram
Date : May 09, 2022

Kartik Bharat Ram
Joint Managing Director
DIN - 00008557
Place : Gurugram
Date : May 09, 2022

Rahul Jain
President & CFO
Place : Gurugram
Date : May 09, 2022

Bharti Gupta Ramola
Director
DIN - 00356188
Place : Gurugram
Date : May 09, 2022

Rajat Lakhanpal
Vice President
(Corporate Compliance)
and Company Secretary
Place : Gurugram
Date : May 09, 2022